

1998 Education Budget:
An Historic Investment in Educational Opportunity

November 13, 1997

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President Clinton, State of the Union Address, February 4, 1997

HIGHLIGHTS: The President's signature on the Labor-HHS-Education Appropriations Bill today, along with the education tax cuts enacted in August, take us an historic step closer to reaching the President's goal of making sure that every 8-year old can read, every 12-year old can log on to Internet, every 18-year old can go to college, and all Americans can keep on learning throughout their lifetimes. This represents the largest increase in our education investment in a generation, including the biggest increase in college aid since the GI Bill 50 years ago. The bill signed today:

- ✓ promotes high standards and continued development of voluntary national tests;
- ✓ increases Pell Grants to \$3,000 -- the largest increase in two decades;
- ✓ expands Head Start;
- ✓ funds America Reads to help all children read well and independently by age 8;
- ✓ brings technology to the classroom; and
- ✓ expands choice and accountability through public charter schools.

RAISING STANDARDS: HELPING STUDENTS MASTER THE BASICS AND ADVANCED SKILLS

Continues Development of Voluntary National Tests. The bill provides full funding to proceed with immediate development of the first-ever voluntary national tests in 4th grade reading and 8th grade math, based on widely accepted national standards used in the National Assessment of Educational Progress (NAEP). It puts the independent, bipartisan National Assessment Governing Board (NAGB) in charge of test policies and development, as the Administration had proposed. The bill provides the Administration's full request of \$16 million to support the testing plan. The bill also provides for a feasibility study to determine if existing state tests can be linked to both the NAEP standards and each other. Pilot testing can begin in Fall 1998.

Provides Funding for the America Reads Challenge. The bill provides nearly \$300 million in new funding towards the President's comprehensive strategy for involving teachers, families and communities in ensuring that all children learn to read well and independently by the end of third grade. These resources will be used to build on current AmeriCorps and college work-study tutoring efforts (more than 800 colleges have already committed to use Federal work-study slots for reading tutors).

- ✓ AmeriCorps and the senior volunteer programs won an increase of \$64 million in the two bills that fund the National Service program (\$39 million in the bill signed today). This will fund 3000 new AmeriCorps members and thousands of new

senior volunteers who will recruit more than 100,000 volunteer tutors.

- ✓ State teacher training and family literacy efforts are increased a total of \$41 million, and \$5 million is provided to help provide training for tutors.
- ✓ Provides an advance appropriation of \$210 million for pending legislation based on the President's America Reads initiative. The House version of that legislation -- promoting tutoring, family literacy, and teacher training -- passed the House with the Administration's support on November 8.

Brings Technology to the Classroom. Funding for the President's two education technology programs, started from scratch three years ago, is more than doubled, to \$531 million:

- ✓ **Technology Literacy Challenge Fund.** The bill provides \$425 million, more than twice as much as the \$200 million appropriated last year, to help States, communities, and schools acquire hardware, software, and connectivity linkages; provide professional development in the integration of technology into the curriculum; and apply technology to support school reform efforts and opportunities for all students.
- ✓ **Technology Innovation Challenge Grants.** The bill includes \$106 million--an 86 percent increase over last year's level of \$57 million--to support up to 30 new projects, including 15 focused specifically on delivering the most effective training for teachers in using educational technologies, as well as 62 existing projects involving a wide range of innovative strategies for improving teaching and learning and increasing student access to technology.

Expands Choice and Accountability in Public Schools. President Clinton's Public Charter Schools Program received a *57 percent increase*, from \$51 million to \$80 million. This program provides start-up funding for public schools that parents, teachers, and communities create -- and that States free from most rules and regulations while holding them accountable for raising student achievement. By the end of next year, the Department of Education will be funding nearly 1,000 locally-designed charter schools, accelerating progress toward the President's goal of developing 3,000 new charter schools by early in the next century -- a goal adopted by bipartisan charter school legislation passed by the House last week.

Supports Certification of Master Teachers. The bill includes \$18.5 million in support of the President's plan to help 100,000 teachers nationwide seek certification as Master Teachers by the National Board for Professional Teaching Standards.

Provides After-School Opportunities for Children. The bill dramatically expands support for the 21st Century Community Learning Centers program, providing \$40 million to support hundreds of after-school centers in rural and urban schools across the country that will provide academic enrichment, tutoring, and other learning opportunities while giving students a safe haven during the often-dangerous after-school hours.

Supports Strategies for Transforming Failing Schools. The bill includes \$150 million in *new funds* for an initiative, supported by the President, to help low-achieving, low-income schools transform themselves through proven reforms, addressing failing schools without abandoning public education. These funds will help almost 3,000 schools implement successful reforms.

Helps Children Learn English. The bill includes a 35% increase in bilingual and immigrant education secured by the President in the Balanced Budget Agreement. The bilingual education funding will help school districts teach English to more than a million limited English proficient children, as well as provide some 4,000 teachers with the training they need to do their jobs better. The Immigrant Education program will help more than a thousand school districts provide supplemental instructional services to 875,000 recent immigrant students.

Helps Children with Special Needs. This bill appropriates \$3.8 billion for Special Education Grants to States, an increase of \$700 million that will raise the Federal share of serving about 6 million children with disabilities by 19 percent. This increase will help States and school districts improve educational results for children with disabilities and help these children meet high standards, as called for by the Individuals with Disabilities Act Amendments of 1997, recently signed by the President.

Promotes High Standards for All Children. The bill provides \$491 million for the President's Goals 2000 school reform program. Communities in every state are using Goals 2000 funds to upgrade curriculum, improve teaching, increase parental involvement in schools, and make greater use of computers in the classroom. Since 1994, over \$1.3 billion has been invested in this vital initiative.

Funds Extra Assistance for Low-Income Schools and Students. The bill provides nearly \$7.4 billion in Title I to support extra help in basic and advanced skills for more than ten million disadvantaged students in elementary and secondary schools. Under the Clinton Administration, investment in Title I has grown by over \$ 1 billion.

PROVIDING JOB TRAINING FOR ADULTS AND OUT-OF-SCHOOL YOUTH

Expands Job Corps and Other Job Training Programs. The bill provides an increase of \$497 million -- or 8 percent -- for employment and training programs. This means more opportunities for adult training, youth training, and Job Corps.

Creates new Youth Opportunities Areas. For Out-of-School Youth, the bill provides an advance appropriation of \$250 million for employment programs in selected high-poverty urban and rural areas, including designated empowerment zones and enterprise communities.

Serves More Than 600,000 Dislocated Workers. The bill provides an increase of \$65 million for dislocated workers -- bringing the total clients served to more than double what it was the year President Clinton took office.

HELPING YOUNG CHILDREN GET READY TO LEARN

Expands Head Start toward 1 Million Children. The bill provides nearly \$4.4 billion for Head Start, keeping on track to meet the President's goal of serving one million children. With this \$374 million increase, Head Start funding will have increased 57% since 1993. The program will serve an estimated 836,000 children in 1998.

HELPING AMERICANS AFFORD A COLLEGE EDUCATION

Increases Pell Grant Award to \$3,000 Maximum. Congress adopted President Clinton's proposal to increase the maximum Pell Grant to \$3,000 -- *the largest increase in two decades*. Approximately 3.7 million students will receive this year's \$300 increase, and an additional 220,000 low- and moderate-income families that were not previously eligible will receive Pell Grants.

Protects Families' Financial Aid Eligibility. The bill includes the President's proposal to ensure that families' eligibility for Federal financial aid is not reduced as a result of the tax cuts for higher education. This was a part of the Administration's original HOPE Scholarship proposal, but was not included in the recent tax legislation.

Reduces Student Loan Interest Rate. A one-year provision will reduce the interest rate on consolidation loans in the guaranteed student loan program to match the lower rate which has been offered under direct lending, and will allow old loans to be consolidated into either program.

STRENGTHENING OUR NATION'S COMMITMENT TO EQUITY IN EDUCATION

Fully Funds Office for Civil Rights. The bill fully funds the Department of Education's Office for Civil Rights, meeting the President's request for a 12% increase in order to protect America's students from illegal discrimination in education.

Increases Funding for Historically Black Colleges and Universities and Hispanic Serving Institutions. The bill meets the President's request for increases for both Historically Black Colleges and Universities and Hispanic-Serving Institutions, providing greater support for these vital postsecondary institutions.

OTHER VICTORIES

The bill also maintains our investments in Safe and Drug-Free Schools and Communities, School-to-Work Opportunities, College Work-Study, and other education and training priorities.

Final

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One Hundred Fifth Congress
of the
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday,
the seventh day of January, one thousand nine hundred and ninety-seven*

An Act

Making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes, namely:

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

For necessary expenses of the Job Training Partnership Act, as amended, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Job Training Partnership Act; the Stewart B. McKinney Homeless Assistance Act; the Women in Apprenticeship and Nontraditional Occupations Act; the National Skill Standards Act of 1994; and the School-to-Work Opportunities Act; \$4,988,226,000 plus reimbursements, of which \$3,794,735,000 is available for obligation for the period July 1, 1998 through June 30, 1999; of which \$118,491,000 is available for the period July 1, 1998 through June 30, 2001 for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers; and of which \$200,000,000 shall be available from July 1, 1998 through September 30, 1999, for carrying out activities of the School-to-Work Opportunities Act: *Provided*, That \$53,815,000 shall be for carrying out section 401 of the Job Training Partnership Act, \$71,017,000 shall be for carrying out section 402 of such Act, \$7,300,000 shall be for carrying out section 441 of such Act, \$9,000,000 shall be for all activities conducted by and through the National Occupational Information Coordinating Committee under such Act, \$955,000,000 shall be for carrying out title II, part A of such Act, and \$129,965,000 shall be for carrying out title II, part C of such Act: *Provided further*, That the National Occupational Information Coordinating Committee is authorized, effective upon enactment, to charge fees for publications, training and technical assistance developed by the National Occupational

H.R. 2264 - Labor/HHS/Education + Related Agencies
Appropriations Act, FY 1998

Information Coordinating Committee: *Provided further*, That revenues received from publications and delivery of technical assistance and training, notwithstanding 31 U.S.C. 3302, shall be credited to the National Occupational Information Coordinating Committee program account and shall be available to the National Occupational Information Coordinating Committee without further appropriations, so long as such revenues are used for authorized activities of the National Occupational Information Coordinating Committee: *Provided further*, That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers: *Provided further*, That funds provided for title III of the Job Training Partnership Act shall not be subject to the limitation contained in subsection (b) of section 315 of such Act; that the waiver described in section 315(a)(2) may be granted if a substate grantee demonstrates to the Governor that such waiver is appropriate due to the availability of low-cost retraining services, is necessary to facilitate the provision of needs-related payments to accompany long-term training, or is necessary to facilitate the provision of appropriate basic readjustment services; and that funds provided for discretionary grants under part B of such title III may be used to provide needs-related payments to participants who, in lieu of meeting the enrollment requirements under section 314(e) of such Act, are enrolled in training by the end of the sixth week after grant funds have been awarded: *Provided further*, That funds provided to carry out section 324 of such Act may be used for demonstration projects that provide assistance to new entrants in the workforce and incumbent workers: *Provided further*, That service delivery areas may transfer funding provided herein under authority of title II, parts B and C of the Job Training Partnership Act between the programs authorized by those titles of the Act, if the transfer is approved by the Governor: *Provided further*, That service delivery areas and substate areas may transfer up to 20 percent of the funding provided herein under authority of title II, part A and title III of the Job Training Partnership Act between the programs authorized by those titles of the Act, if such transfer is approved by the Governor: *Provided further*, That, notwithstanding any other provision of law, any proceeds from the sale of Job Corps center facilities shall be retained by the Secretary of Labor to carry out the Job Corps program: *Provided further*, That notwithstanding any other provision of law, the Secretary of Labor may waive any of the statutory or regulatory requirements of titles I-III of the Job Training Partnership Act (except for requirements relating to wage and labor standards, worker rights, participation and protection, grievance procedures and judicial review, non-discrimination, allocation of funds to local areas, eligibility, review and approval of plans, the establishment and functions of service delivery areas and private industry councils, and the basic purposes of the Act), and any of the statutory or regulatory requirements of sections 8-10 of the Wagner-Peyser Act (except for requirements relating to the provision of services to unemployment insurance claimants and veterans, and to universal access to basic labor exchange services without cost to job seekers), only for funds available for expenditure in program year 1998, pursuant to a request submitted by a State which identifies the statutory or regulatory requirements that are requested to be waived and the goals which the State or local service delivery areas intend to achieve, describes the actions that the State or local service delivery areas have

undertaken to remove State or local statutory or regulatory barriers, describes the goals of the waiver and the expected programmatic outcomes if the request is granted, describes the individuals impacted by the waiver, and describes the process used to monitor the progress in implementing a waiver, and for which notice and an opportunity to comment on such request has been provided to the organizations identified in section 105(a)(1) of the Job Training Partnership Act, if and only to the extent that the Secretary determines that such requirements impede the ability of the State to implement a plan to improve the workforce development system and the State has executed a Memorandum of Understanding with the Secretary requiring such State to meet agreed upon outcomes and implement other appropriate measures to ensure accountability: *Provided further*, That the Secretary of Labor shall establish a workforce flexibility (work-flex) partnership demonstration program under which the Secretary shall authorize not more than six States, of which at least three States shall each have populations not in excess of 3,500,000, with a preference given to those States that have been designated Ed-Flex Partnership States under section 311(e) of Public Law 103-227, to waive any statutory or regulatory requirement applicable to service delivery areas or substate areas within the State under titles I-III of the Job Training Partnership Act (except for requirements relating to wage and labor standards, grievance procedures and judicial review, nondiscrimination, allotment of funds, and eligibility), and any of the statutory or regulatory requirements of sections 8-10 of the Wagner-Peyser Act (except for requirements relating to the provision of services to unemployment insurance claimants and veterans, and to universal access to basic labor exchange services without cost to job seekers), for a duration not to exceed the waiver period authorized under section 311(e) of Public Law 103-227, pursuant to a plan submitted by such States and approved by the Secretary for the provision of workforce employment and training activities in the States, which includes a description of the process by which service delivery areas and substate areas may apply for and have waivers approved by the State, the requirements of the Wagner-Peyser Act to be waived, the outcomes to be achieved and other measures to be taken to ensure appropriate accountability for Federal funds.

For necessary expenses of Opportunity Areas of Out-of-School Youth, in addition to amounts otherwise provided herein, \$250,000,000, to be available for obligation for the period October 1, 1998 through September 30, 1999, if job training reform legislation authorizing this or similar at-risk youth projects is enacted by July 1, 1998.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

(TRANSFER OF FUNDS)

To carry out the activities for national grants or contracts with public agencies and public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of title V of the Older Americans Act of 1965, as amended, or to carry out older worker activities as subsequently authorized, \$343,356,000.

To carry out the activities for grants to States under paragraph (3) of section 506(a) of title V of the Older Americans Act of 1965, as amended, or to carry out older worker activities as subsequently authorized, \$96,844,000.

H. R. 2264—4

The funds appropriated under this heading shall be transferred to and merged with the Department of Health and Human Services, "Aging Services Programs", for the same purposes and the same period as the account to which transferred, following the enactment of legislation authorizing the administration of the program by that Department.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of trade adjustment benefit payments and allowances under part I; and for training, allowances for job search and relocation, and related State administrative expenses under part II, subchapters B and D, chapter 2, title II of the Trade Act of 1974, as amended, \$349,000,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For authorized administrative expenses, \$173,452,000, together with not to exceed \$3,322,476,000 (including not to exceed \$1,228,000 which may be used for amortization payments to States which had independent retirement plans in their State employment service agencies prior to 1980, and including not to exceed \$2,000,000 which may be obligated in contracts with non-State entities for activities such as occupational and test research activities which benefit the Federal-State Employment Service System), which may be expended from the Employment Security Administration account in the Unemployment Trust Fund including the cost of administering section 1201 of the Small Business Job Protection Act of 1996, section 7(d) of the Wagner-Peyser Act, as amended, the Trade Act of 1974, as amended, the Immigration Act of 1990, and the Immigration and Nationality Act, as amended, and of which the sums available in the allocation for activities authorized by title III of the Social Security Act, as amended (42 U.S.C. 502-504), and the sums available in the allocation for necessary administrative expenses for carrying out 5 U.S.C. 8501-8523, shall be available for obligation by the States through December 31, 1998, except that funds used for automation acquisitions shall be available for obligation by States through September 30, 2000; and of which \$40,000,000 of the amount which may be expended from said trust fund, shall be available for obligation for the period October 1, 1998 through September 30, 1999, for the purpose of assisting States to convert their automated State employment security agency systems to be year 2000 compliant; and of which \$173,452,000, together with not to exceed \$738,283,000 of the amount which may be expended from said trust fund, shall be available for obligation for the period July 1, 1998 through June 30, 1999, to fund activities under the Act of June 6, 1933, as amended, including the cost of penalty mail authorized under 39 U.S.C. 3202(a)(1)(E) made available to States in lieu of allotments for such purpose, and of which \$200,000,000 shall be available solely for the purpose of assisting States to convert their automated State employment security agency systems to be year 2000 compliant, and of which \$196,333,000 shall be available only to the extent

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necessary for additional State allocations to administer unemployment compensation laws to finance increases in the number of unemployment insurance claims filed and claims paid or changes in a State law: *Provided*, That to the extent that the Average Weekly Insured Unemployment (AWIU) for fiscal year 1998 is projected by the Department of Labor to exceed 2,789,000 an additional \$28,600,000 shall be available for obligation for every 100,000 increase in the AWIU level (including a pro rata amount for any increment less than 100,000) from the Employment Security Administration Account of the Unemployment Trust Fund: *Provided further*, That funds appropriated in this Act which are used to establish a national one-stop career center network may be obligated in contracts, grants or agreements with non-State entities: *Provided further*, That funds appropriated under this Act for activities authorized under the Wagner-Peyser Act, as amended, and title III of the Social Security Act, may be used by the States to fund integrated Employment Service and Unemployment Insurance automation efforts, notwithstanding cost allocation principles prescribed under Office of Management and Budget Circular A-87.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1954, as amended; and for nonrepayable advances to the Unemployment Trust Fund as authorized by section 8509 of title 5, United States Code, section 104(d) of Public Law 102-164, and section 5 of Public Law 103-6, and to the "Federal unemployment benefits and allowances" account, to remain available until September 30, 1999, \$392,000,000.

In addition, for making repayable advances to the Black Lung Disability Trust Fund in the current fiscal year after September 15, 1998, for costs incurred by the Black Lung Disability Trust Fund in the current fiscal year, such sums as may be necessary.

PROGRAM ADMINISTRATION

For expenses of administering employment and training programs, \$90,308,000, including \$6,000,000 to support up to 75 full-time equivalent staff, the majority of which will be term Federal appointments lasting no more than three years, to administer welfare-to-work grants, together with not to exceed \$41,285,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

PENSION AND WELFARE BENEFITS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Pension and Welfare Benefits Administration, \$82,000,000, of which \$3,000,000 shall remain available through September 30, 1999 for expenses of completing the revision of the processing of employee benefit plan returns.

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PENSION BENEFIT GUARANTY CORPORATION

PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation is authorized to make such expenditures, including financial assistance authorized by section 104 of Public Law 96-364, within limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program through September 30, 1998, for such Corporation: *Provided*, That not to exceed \$10,433,000 shall be available for administrative expenses of the Corporation: *Provided further*, That expenses of such Corporation in connection with the termination of pension plans, for the acquisition, protection or management, and investment of trust assets, and for benefits administration services shall be considered as non-administrative expenses for the purposes hereof, and excluded from the above limitation.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, \$299,660,000, together with \$993,000 which may be expended from the Special Fund in accordance with sections 39(c) and 44(j) of the Longshore and Harbor Workers' Compensation Act: *Provided*, That \$500,000 shall be for the development of an alternative system for the electronic submission of reports as required to be filed under the Labor-Management Reporting and Disclosure Act of 1959, as amended, and for a computer database of the information for each submission by whatever means, that is indexed and easily searchable by the public via the Internet: *Provided further*, That the Secretary of Labor is authorized to accept, retain, and spend, until expended, in the name of the Department of Labor, all sums of money ordered to be paid to the Secretary of Labor, in accordance with the terms of the Consent Judgment in Civil Action No. 91-0027 of the United States District Court for the District of the Northern Mariana Islands (May 21, 1992): *Provided further*, That the Secretary of Labor is authorized to establish and, in accordance with 31 U.S.C. 3302, collect and deposit in the Treasury fees for processing applications and issuing certificates under sections 11(d) and 14 of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 211(d) and 214) and for processing applications and issuing registrations under title I of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1801 et seq.).

SPECIAL BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal year authorized by title 5, chapter 81 of the United States Code; continuation of benefits as provided for under the

head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the Employees' Compensation Commission Appropriation Act, 1944; and sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); and 50 percent of the additional compensation and benefits required by section 10(h) of the Longshore and Harbor Workers' Compensation Act, as amended, \$201,000,000 together with such amounts as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to August 15 of the current year: *Provided*, That amounts appropriated may be used under section 8104 of title 5, United States Code, by the Secretary to reimburse an employer, who is not the employer at the time of injury, for portions of the salary of a reemployed, disabled beneficiary: *Provided further*, That balances of reimbursements unobligated on September 30, 1997, shall remain available until expended for the payment of compensation, benefits, and expenses: *Provided further*, That in addition there shall be transferred to this appropriation from the Postal Service and from any other corporation or instrumentality required under section 8147(c) of title 5, United States Code, to pay an amount for its fair share of the cost of administration, such sums as the Secretary of Labor determines to be the cost of administration for employees of such fair share entities through September 30, 1998: *Provided further*, That of those funds transferred to this account from the fair share entities to pay the cost of administration, \$7,269,000 shall be made available to the Secretary of Labor for expenditures relating to capital improvements in support of Federal Employees' Compensation Act administration, and the balance of such funds shall be paid into the Treasury as miscellaneous receipts: *Provided further*, That the Secretary may require that any person filing a notice of injury or a claim for benefits under chapter 81 of title 5, United States Code, or 33 U.S.C. 901 et seq., provide as part of such notice and claim, such identifying information (including Social Security account number) as such regulations may prescribe.

BLACK LUNG DISABILITY TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

For payments from the Black Lung Disability Trust Fund, \$1,007,000,000, of which \$960,650,000 shall be available until September 30, 1999, for payment of all benefits as authorized by section 9501(d)(1), (2), (4), and (7) of the Internal Revenue Code of 1954, as amended, and interest on advances as authorized by section 9501(c)(2) of that Act, and of which \$26,147,000 shall be available for transfer to Employment Standards Administration, Salaries and Expenses, \$19,551,000 for transfer to Departmental Management, Salaries and Expenses, \$296,000 for transfer to Departmental Management, Office of Inspector General, and \$356,000 for payment into miscellaneous receipts for the expenses of the Department of Treasury, for expenses of operation and administration of the Black Lung Benefits program as authorized by section 9501(d)(5) of that Act: *Provided*, That, in addition, such amounts as may be necessary may be charged to the subsequent year appropriation for the payment of compensation, interest, or other benefits for any period subsequent to August 15 of the current year.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION
SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, \$336,480,000, including not to exceed \$77,941,000 which shall be the maximum amount available for grants to States under section 23(g) of the Occupational Safety and Health Act, which grants shall be no less than 50 percent of the costs of State occupational safety and health programs required to be incurred under plans approved by the Secretary under section 18 of the Occupational Safety and Health Act of 1970; and, in addition, notwithstanding 31 U.S.C. 3302, the Occupational Safety and Health Administration may retain up to \$750,000 per fiscal year of training institute course tuition fees, otherwise authorized by law to be collected, and may utilize such sums for occupational safety and health training and education grants: *Provided*, That, notwithstanding 31 U.S.C. 3302, the Secretary of Labor is authorized, during the fiscal year ending September 30, 1998, to collect and retain fees for services provided to Nationally Recognized Testing Laboratories, and may utilize such sums, in accordance with the provisions of 29 U.S.C. 9a, to administer national and international laboratory recognition programs that ensure the safety of equipment and products used by workers in the workplace: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees: *Provided further*, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of ten or fewer employees who is included within a category having an occupational injury lost workday case rate, at the most precise Standard Industrial Classification Code for which such data are published, less than the national average rate as such rates are most recently published by the Secretary, acting through the Bureau of Labor Statistics, in accordance with section 24 of that Act (29 U.S.C. 673), except—

(1) to provide, as authorized by such Act, consultation, technical assistance, educational and training services, and to conduct surveys and studies;

(2) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

(3) to take any action authorized by such Act with respect to imminent dangers;

(4) to take any action authorized by such Act with respect to health hazards;

(5) to take any action authorized by such Act with respect to a report of an employment accident which is fatal to one or more employees or which results in hospitalization of two or more employees, and to take any action pursuant to such investigation authorized by such Act; and

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(6) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act: *Provided further*, That the foregoing proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Mine Safety and Health Administration, \$203,334,000, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work, and the hire of passenger motor vehicles; the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private; the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations; and any funds available to the Department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of a major disaster: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977 or to carry out that portion of section 104(g)(1) of such Act relating to the enforcement of any training requirements, with respect to shell dredging, or with respect to any sand, gravel, surface stone, surface clay, colloidal phosphate, or surface limestone mine.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, \$327,609,000, of which \$15,430,000 shall be for expenses of revising the Consumer Price Index and shall remain available until September 30, 1999, together with not to exceed \$52,848,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for Departmental Management, including the hire of three sedans, and including up to \$4,421,000 for the President's Committee on Employment of People With Disabilities, \$152,253,000; together with not to exceed \$282,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund: *Provided*, That no funds made available by this Act may be used by the Solicitor of Labor to participate in a review in any United States court of appeals of any decision made by the Benefits Review Board under section 21 of the Longshore and Harbor Workers' Compensation Act (33

U.S.C. 921) where such participation is precluded by the decision of the United States Supreme Court in *Director, Office of Workers' Compensation Programs v. Newport News Shipbuilding*, 115 S. Ct. 1278 (1995): *Provided further*, That no funds made available by this Act may be used by the Secretary of Labor to review a decision under the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.) that has been appealed and that has been pending before the Benefits Review Board for more than 12 months: *Provided further*, That any such decision pending a review by the Benefits Review Board for more than one year shall be considered affirmed by the Benefits Review Board on that date, and shall be considered the final order of the Board for purposes of obtaining a review in the United States courts of appeals: *Provided further*, That these provisions shall not be applicable to the review of any decision issued under the Black Lung Benefits Act (30 U.S.C. 901 et seq.).

WORKING CAPITAL FUND

The paragraph under this heading in Public Law 85-67 (29 U.S.C. 563) is amended by striking the last period and inserting after "appropriation action" the following: "*Provided further*, That the Secretary of Labor may transfer annually an amount not to exceed \$3,000,000 from unobligated balances in the Department's salaries and expenses accounts, to the unobligated balance of the Working Capital Fund, to be merged with such Fund and used for the acquisition of capital equipment and the improvement of financial management, information technology and other support systems, and to remain available until expended: *Provided further*, That the unobligated balance of the Fund shall not exceed \$20,000,000."

ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT AND TRAINING

Not to exceed \$181,955,000 may be derived from the Employment Security Administration account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 4100-4110A and 4321-4327, and Public Law 103-353, and which shall be available for obligation by the States through December 31, 1998.

OFFICE OF INSPECTOR GENERAL

For salaries and expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$42,605,000, together with not to exceed \$3,645,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

GENERAL PROVISIONS

SEC. 101. None of the funds appropriated in this title for the Job Corps shall be used to pay the compensation of an individual, either as direct costs or any proration as an indirect cost, at a rate in excess of \$125,000.

(TRANSFER OF FUNDS)

SEC. 102. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control

Act, as amended) which are appropriated for the current fiscal year for the Department of Labor in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: *Provided*, That the Appropriations Committees of both Houses of Congress are notified at least fifteen days in advance of any transfer.

SEC. 103. Funds shall be available for carrying out title IV-B of the Job Training Partnership Act, notwithstanding section 427(c) of that Act, if a Job Corps center fails to meet national performance standards established by the Secretary.

SEC. 104. None of the funds made available in this Act may be used by the Occupational Safety and Health Administration to promulgate or issue any proposed or final standard regarding ergonomic protection before September 30, 1998: *Provided*, That nothing in this section shall be construed to limit the Occupational Safety and Health Administration from issuing voluntary guidelines on ergonomic protection or from developing a proposed standard regarding ergonomic protection: *Provided further*, That no funds made available in this Act may be used by the Occupational Safety and Health Administration to enforce voluntary ergonomics guidelines through section 5 (the general duty clause) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 654).

SEC. 105. Section 13(b)(12) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(b)(12)) is amended by striking "water for agricultural purposes" and inserting in lieu thereof "water, at least 90 percent of which was ultimately delivered for agricultural purposes during the preceding calendar year".

This title may be cited as the "Department of Labor Appropriations Act, 1998".

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

For carrying out titles II, III, VII, VIII, X, XII, XIX, and XXVI of the Public Health Service Act, section 427(a) of the Federal Coal Mine Health and Safety Act, title V of the Social Security Act, the Health Care Quality Improvement Act of 1986, as amended, and the Native Hawaiian Health Care Act of 1988, as amended, \$3,618,137,000, of which \$225,000 shall remain available until expended for interest subsidies on loan guarantees made prior to fiscal year 1981 under part B of title VII of the Public Health Service Act and of which \$28,000,000 shall be available for the construction and renovation of health care and other facilities: *Provided*, That the Division of Federal Occupational Health may utilize personal services contracting to employ professional management/administrative and occupational health professionals: *Provided further*, That of the funds made available under this heading, \$2,500,000 shall be available until expended for facilities renovations at the Gillis W. Long Hansen's Disease Center: *Provided further*, That in addition to fees authorized by section 427(b) of the Health Care Quality Improvement Act of 1986, fees shall be collected for the full disclosure of information under the Act sufficient to recover the full costs of operating the National Practitioner Data Bank, and shall remain available until expended to carry

out that Act: *Provided further*, That no more than \$5,000,000 is available for carrying out the provisions of Public Law 104-73: *Provided further*, That of the funds made available under this heading, \$203,452,000 shall be for the program under title X of the Public Health Service Act to provide for voluntary family planning projects: *Provided further*, That amounts provided to said projects under such title shall not be expended for abortions, that all pregnancy counseling shall be nondirective, and that such amounts shall not be expended for any activity (including the publication or distribution of literature) that in any way tends to promote public support or opposition to any legislative proposal or candidate for public office: *Provided further*, That \$285,500,000 shall be for State AIDS Drug Assistance Programs authorized by section 2616 of the Public Health Service Act: *Provided further*, That notwithstanding any other provision of law, funds made available under this heading may be used to continue operating the Council on Graduate Medical Education established by section 301 of Public Law 102-408: *Provided further*, That, of the funds made available under this heading, not more than \$6,000,000 shall be made available and shall remain available until expended for loan guarantees for loans funded under part A of title XVI of the Public Health Service Act as amended, made by non-Federal lenders for the construction, renovation, and modernization of medical facilities that are owned and operated by health centers, and for loans made to health centers under section 330(d) of the Public Health Service Act as amended by Public Law 104-299, and that such funds be available to subsidize guarantees of total loan principal in an amount not to exceed \$80,000,000: *Provided further*, That notwithstanding section 502(a)(1) of the Social Security Act, not to exceed \$103,863,000 is available for carrying out special projects of regional and national significance pursuant to section 501(a)(2) of such Act.

MEDICAL FACILITIES GUARANTEE AND LOAN FUND

FEDERAL INTEREST SUBSIDIES FOR MEDICAL FACILITIES

For carrying out subsections (d) and (e) of section 1602 of the Public Health Service Act, \$6,000,000, together with any amounts received by the Secretary in connection with loans and loan guarantees under title VI of the Public Health Service Act, to be available without fiscal year limitation for the payment of interest subsidies. During the fiscal year, no commitments for direct loans or loan guarantees shall be made.

HEALTH EDUCATION ASSISTANCE LOANS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, such sums as may be necessary to carry out the purpose of the program, as authorized by title VII of the Public Health Service Act, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the total loan principal any part of which is to be guaranteed at not to exceed \$85,000,000: *Provided further*, That the Secretary may use up to \$1,000,000 derived by transfer from insurance premiums collected from guaranteed loans made

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under title VII of the Public Health Service Act for the purpose of carrying out section 709 of that Act. In addition, for administrative expenses to carry out the guaranteed loan program, \$2,688,000.

VACCINE INJURY COMPENSATION PROGRAM TRUST FUND

For payments from the Vaccine Injury Compensation Program Trust Fund, such sums as may be necessary for claims associated with vaccine-related injury or death with respect to vaccines administered after September 30, 1988, pursuant to subtitle 2 of title XXI of the Public Health Service Act, to remain available until expended: *Provided*, That for necessary administrative expenses, not to exceed \$3,000,000 shall be available from the Trust Fund to the Secretary of Health and Human Services.

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

To carry out titles II, III, VII, XI, XV, XVII, and XIX of the Public Health Service Act, sections 101, 102, 103, 201, 202, 203, 301, and 501 of the Federal Mine Safety and Health Act of 1977, and sections 20, 21 and 22 of the Occupational Safety and Health Act of 1970, title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980; including insurance of official motor vehicles in foreign countries; and hire, maintenance, and operation of aircraft, \$2,327,552,000, of which \$21,504,000 shall remain available until expended for equipment and construction and renovation of facilities, and in addition, such sums as may be derived from authorized user fees, which shall be credited to this account: *Provided*, That in addition to amounts provided herein, up to \$59,232,000 shall be available from amounts available under section 241 of the Public Health Service Act, to carry out the National Center for Health Statistics surveys: *Provided further*, That none of the funds made available for injury prevention and control at the Centers for Disease Control and Prevention may be used to advocate or promote gun control: *Provided further*, That the Director may redirect the total amount made available under authority of Public Law 101-502, section 3, dated November 3, 1990, to activities the Director may so designate: *Provided further*, That the Congress is to be notified promptly of any such transfer.

In addition, \$51,000,000, to be derived from the Violent Crime Reduction Trust Fund, for carrying out sections 40151 and 40261 of Public Law 103-322.

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cancer, \$2,547,314,000.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cardiovascular, lung, and blood diseases, and blood and blood products, \$1,531,061,000.

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NATIONAL INSTITUTE OF DENTAL RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to dental disease, \$209,415,000.

NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to diabetes and digestive and kidney disease, \$873,860,000.

NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

For carrying out section 301 and title IV of the Public Health Service Act with respect to neurological disorders and stroke, \$780,713,000.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to allergy and infectious diseases, \$1,351,655,000.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to general medical sciences, \$1,065,947,000.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

For carrying out section 301 and title IV of the Public Health Service Act with respect to child health and human development, \$674,766,000.

NATIONAL EYE INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to eye diseases and visual disorders, \$355,691,000.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

For carrying out sections 301 and 311 and title IV of the Public Health Service Act with respect to environmental health sciences, \$330,108,000.

NATIONAL INSTITUTE ON AGING

For carrying out section 301 and title IV of the Public Health Service Act with respect to aging, \$519,279,000.

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to arthritis and musculoskeletal and skin diseases, \$274,760,000.

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NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION
DISORDERS

For carrying out section 301 and title IV of the Public Health Service Act with respect to deafness and other communication disorders, \$200,695,000.

NATIONAL INSTITUTE OF NURSING RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to nursing research, \$63,597,000.

NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM

For carrying out section 301 and title IV of the Public Health Service Act with respect to alcohol abuse and alcoholism, \$227,175,000.

NATIONAL INSTITUTE ON DRUG ABUSE

For carrying out section 301 and title IV of the Public Health Service Act with respect to drug abuse, \$527,175,000.

NATIONAL INSTITUTE OF MENTAL HEALTH

For carrying out section 301 and title IV of the Public Health Service Act with respect to mental health, \$750,241,000.

NATIONAL HUMAN GENOME RESEARCH INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to human genome research, \$217,704,000.

NATIONAL CENTER FOR RESEARCH RESOURCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to research resources and general research support grants, \$453,883,000: *Provided*, That none of these funds shall be used to pay recipients of the general research support grants program any amount for indirect expenses in connection with such grants: *Provided further*, That \$20,000,000 shall be for extramural facilities construction grants.

JOHN E. FOGARTY INTERNATIONAL CENTER

For carrying out the activities at the John E. Fogarty International Center, \$28,289,000.

NATIONAL LIBRARY OF MEDICINE

For carrying out section 301 and title IV of the Public Health Service Act with respect to health information communications, \$161,185,000, of which \$4,000,000 shall be available until expended for improvement of information systems: *Provided*, That in fiscal year 1998, the Library may enter into personal services contracts for the provision of services in facilities owned, operated, or constructed under the jurisdiction of the National Institutes of Health.

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OFFICE OF THE DIRECTOR

(INCLUDING TRANSFER OF FUNDS)

For carrying out the responsibilities of the Office of the Director, National Institutes of Health, \$296,373,000, of which \$40,536,000 shall be for the Office of AIDS Research: *Provided*, That funding shall be available for the purchase of not to exceed five passenger motor vehicles for replacement only: *Provided further*, That the Director may direct up to 1 percent of the total amount made available in this or any other Act to all National Institutes of Health appropriations to activities the Director may so designate: *Provided further*, That no such appropriation shall be decreased by more than 1 percent by any such transfers and that the Congress is promptly notified of the transfer: *Provided further*, That NIH is authorized to collect third party payments for the cost of clinical services that are incurred in National Institutes of Health research facilities and that such payments shall be credited to the National Institutes of Health Management Fund: *Provided further*, That all funds credited to the NIH Management Fund shall remain available for one fiscal year after the fiscal year in which they are deposited: *Provided further*, That up to \$500,000 shall be available to carry out section 499 of the Public Health Service Act: *Provided further*, That, notwithstanding section 499(k)(10) of the Public Health Service Act, funds from the National Foundation for Biomedical Research may be transferred to the National Institutes of Health: *Provided further*, That \$20,000,000 shall be available to carry out section 404E of the Public Health Service Act: *Provided further*, That of the funds available to carry out section 404E of the Public Health Service Act, not less than \$7,000,000 shall be for peer reviewed complementary and alternative medicine research grants and contracts that respond to program announcements and requests for proposals issued by the Office of Alternative Medicine.

BUILDINGS AND FACILITIES

For the study of, construction of, and acquisition of equipment for, facilities of or used by the National Institutes of Health, including the acquisition of real property, \$206,957,000, to remain available until expended, of which \$90,000,000 shall be for the clinical research center and \$16,957,000 for the Vaccine Facility: *Provided*, That notwithstanding any other provision of law, a single contract or related contracts for the development and construction of the clinical research center may be employed which collectively include the full scope of the project: *Provided further*, That the solicitation and contract shall contain the clause "availability of funds" found at 48 CFR 52.232-18: *Provided further*, That notwithstanding any other provision of law, a single contract or related contracts for the development and construction of the Vaccine Facility may be employed which collectively include the full scope of the project: *Provided further*, That the solicitation and contract shall contain the clause "availability of funds" found in 48 CFR 52.232-18.

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SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

For carrying out titles V and XIX of the Public Health Service Act with respect to substance abuse and mental health services, the Protection and Advocacy for Mentally Ill Individuals Act of 1986, and section 301 of the Public Health Service Act with respect to program management, \$2,146,743,000, of which \$10,000,000 shall be for grants to rural and Native American projects: *Provided*, That notwithstanding any other provision of law, each State's allotment for fiscal year 1998 for each of the programs under subparts I and II of part B of title XIX of the Public Health Service Act shall be equal to such State's allotment for such programs for fiscal year 1997.

RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

For retirement pay and medical benefits of Public Health Service Commissioned Officers as authorized by law, and for payments under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan and for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C. ch. 55), and for payments pursuant to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), such amounts as may be required during the current fiscal year.

AGENCY FOR HEALTH CARE POLICY AND RESEARCH

HEALTH CARE POLICY AND RESEARCH

For carrying out titles III and IX of the Public Health Service Act, and part A of title XI of the Social Security Act, \$90,229,000; in addition, amounts received from Freedom of Information Act fees, reimbursable and interagency agreements, and the sale of data tapes shall be credited to this appropriation and shall remain available until expended: *Provided*, That the amount made available pursuant to section 926(b) of the Public Health Service Act shall not exceed \$56,206,000.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAID

For carrying out, except as otherwise provided, titles XI and XIX of the Social Security Act, \$71,602,429,000, to remain available until expended.

For making, after May 31, 1998, payments to States under title XIX of the Social Security Act for the last quarter of fiscal year 1998 for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States under title XIX of the Social Security Act for the first quarter of fiscal year 1999, \$27,800,689,000, to remain available until expended.

Payment under title XIX may be made for any quarter with respect to a State plan or plan amendment in effect during such quarter, if submitted in or prior to such quarter and approved in that or any subsequent quarter.

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PAYMENTS TO HEALTH CARE TRUST FUNDS

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under sections 217(g) and 1844 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, section 278(d) of Public Law 97-248, and for administrative expenses incurred pursuant to section 201(g) of the Social Security Act, \$60,904,000,000.

PROGRAM MANAGEMENT

For carrying out, except as otherwise provided, titles XI, XVIII, XIX and XXI of the Social Security Act, titles XIII and XXVII of the Public Health Service Act, and the Clinical Laboratory Improvement Amendments of 1988, not to exceed \$1,743,066,000 to be transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as authorized by section 201(g) of the Social Security Act; together with all funds collected in accordance with section 353 of the Public Health Service Act and such sums as may be collected from authorized user fees and the sale of data, which shall remain available until expended, and together with administrative fees collected relative to Medicare overpayment recovery activities, which shall remain available until expended: *Provided*, That all funds derived in accordance with 31 U.S.C. 9701 from organizations established under title XIII of the Public Health Service Act shall be credited to and available for carrying out the purposes of this appropriation: *Provided further*, That \$900,000 shall be for carrying out section 4021 of Public Law 105-33: *Provided further*, That in carrying out its legislative mandate, the National Bipartisan Commission on the Future of Medicare shall examine the impact of increased investments in health research on future Medicare costs, and the potential for coordinating Medicare with cost-effective long-term care services: *Provided further*, That \$40,000,000 appropriated under this heading for the transition to a single Part A and Part B processing system shall remain available until expended: *Provided further*, That funds appropriated under this heading may be obligated to increase Medicare provider audits and implement the Department's corrective action plan to the Chief Financial Officer's audit of the Health Care Financing Administration's oversight of Medicare: *Provided further*, That the Secretary of Health and Human Services is directed to collect, in aggregate, \$95,000,000 in fees in fiscal year 1998 from Medicare+Choice organizations pursuant to section 1857(e)(2) of the Social Security Act and from eligible organizations with risk-sharing contracts under section 1876 of that Act pursuant to section 1876(k)(4)(D) of that Act.

HEALTH MAINTENANCE ORGANIZATION LOAN AND LOAN GUARANTEE
FUND

For carrying out subsections (d) and (e) of section 1308 of the Public Health Service Act, any amounts received by the Secretary in connection with loans and loan guarantees under title XIII of the Public Health Service Act, to be available without fiscal year limitation for the payment of outstanding obligations. During fiscal year 1998, no commitments for direct loans or loan guarantees shall be made.

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ADMINISTRATION FOR CHILDREN AND FAMILIES

FAMILY SUPPORT PAYMENTS TO STATES

For making payments to each State for carrying out the program of Aid to Families with Dependent Children under title IV-A of the Social Security Act before the effective date of the program of Temporary Assistance to Needy Families (TANF) with respect to such State, such sums as may be necessary: *Provided*, That the sum of the amounts available to a State with respect to expenditures under such title IV-A in fiscal year 1997 under this appropriation and under such title IV-A as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 shall not exceed the limitations under section 116(b) of such Act: *Provided further*, That, notwithstanding section 418(a) of the Social Security Act, for fiscal year 1997 only, the amount of payment under section 418(a)(1) to which each State is entitled shall equal the amount specified as mandatory funds with respect to such State for such fiscal year in the table transmitted by the Administration for Children and Families to State Child Care and Development Block Grant Lead Agencies on August 27, 1996, and the amount of State expenditures in fiscal year 1994 or 1995 (whichever is greater) that equals the non-Federal share for the programs described in section 418(a)(1)(A) shall be deemed to equal the amount specified as maintenance of effort with respect to such State for fiscal year 1997 in such table.

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), for the last three months of the current year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), for the first quarter of fiscal year 1999, \$660,000,000, to remain available until expended.

LOW INCOME HOME ENERGY ASSISTANCE

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, \$1,100,000,000, to be available for obligation in the period October 1, 1998 through September 30, 1999.

For making payments under title XXVI of such Act, \$300,000,000: *Provided*, That these funds are hereby designated by Congress to be emergency requirements pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further*, That these funds shall be made available only after submission to Congress of a formal budget request by the President that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act.

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of

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1980 (Public Law 96-422), \$415,000,000: *Provided*, That funds appropriated pursuant to section 414(a) of the Immigration and Nationality Act under Public Law 104-134 for fiscal year 1996 shall be available for the costs of assistance provided and other activities conducted in such year and in fiscal years 1997 and 1998.

CHILD CARE AND DEVELOPMENT BLOCK GRANT
(INCLUDING TRANSFER OF FUNDS)

For carrying out sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), in addition to amounts already appropriated for fiscal year 1998, \$65,672,000; and to become available on October 1, 1998 and remain available through September 30, 1999, \$1,000,000,000: *Provided*, That of funds appropriated for each of fiscal years 1998 and 1999, \$19,120,000 shall be available for child care resource and referral and school-aged child care activities, of which for fiscal year 1998 \$3,000,000 shall be derived from an amount that shall be transferred from the amount appropriated under section 452(j) of the Social Security Act (42 U.S.C. 652(j)) for fiscal year 1997 and remaining available for expenditure: *Provided further*, That of the funds provided for fiscal year 1998, \$50,000,000 shall be reserved by the States for activities authorized under section 658G of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), such funds to be in addition to the amounts required to be reserved by States under such section 658G.

SOCIAL SERVICES BLOCK GRANT

For making grants to States pursuant to section 2002 of the Social Security Act, \$2,299,000,000: *Provided*, That notwithstanding section 2003(c) of such Act, as amended, the amount specified for allocation under such section for fiscal year 1998 shall be \$2,299,000,000.

CHILDREN AND FAMILIES SERVICES PROGRAMS
(INCLUDING RESCISSIONS)

For carrying out, except as otherwise provided, the Runaway and Homeless Youth Act, the Developmental Disabilities Assistance and Bill of Rights Act, the Head Start Act, the Child Abuse Prevention and Treatment Act (including section 105(a)(2) of the Child Abuse Prevention and Treatment Act), the Family Violence Prevention and Services Act, the Native American Programs Act of 1974, title II of Public Law 95-266 (adoption opportunities), the Abandoned Infants Assistance Act of 1988, part B(1) of title IV and sections 413, 429A and 1110 of the Social Security Act; for making payments under the Community Services Block Grant Act; and for necessary administrative expenses to carry out said Acts and titles I, IV, X, XI, XIV, XVI, and XX of the Social Security Act, the Act of July 5, 1960 (24 U.S.C. ch. 9), the Omnibus Budget Reconciliation Act of 1981, title IV of the Immigration and Nationality Act, section 501 of the Refugee Education Assistance Act of 1980, and section 126 and titles IV and V of Public Law 100-485, \$5,682,916,000, of which \$542,165,000 shall be for making

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payments under the Community Services Block Grant Act, and of which \$4,355,000,000 shall be for making payments under the Head Start Act: *Provided*, That of the funds made available for the Head Start Act, \$279,250,000 shall be set aside for the Head Start Program for Families with Infants and Toddlers (Early Head Start): *Provided further*, That to the extent Community Services Block Grant funds are distributed as grant funds by a State to an eligible entity as provided under the Act, and have not been expended by such entity, they shall remain with such entity for carryover into the next fiscal year for expenditure by such entity consistent with program purposes.

In addition, \$93,000,000, to be derived from the Violent Crime Reduction Trust Fund, for carrying out sections 40155, 40211 and 40241 of Public Law 103-322.

Funds appropriated for fiscal year 1998 under section 429A(e), part B of title IV of the Social Security Act shall be reduced by \$6,000,000.

Funds appropriated for fiscal year 1998 under section 413(h)(1) of the Social Security Act shall be reduced by \$15,000,000.

FAMILY PRESERVATION AND SUPPORT

For carrying out section 430 of the Social Security Act, \$255,000,000.

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

For making payments to States or other non-Federal entities, under title IV-E of the Social Security Act, \$3,200,000,000.

For making payments to States or other non-Federal entities, under title IV-E of the Social Security Act, for the first quarter of fiscal year 1999, \$1,157,500,000.

ADMINISTRATION ON AGING

AGING SERVICES PROGRAMS

For carrying out, to the extent not otherwise provided, the Older Americans Act of 1965, as amended, \$865,050,000: *Provided*, That notwithstanding section 308(b)(1) of such Act, the amounts available to each State for administration of the State plan under title III of such Act shall be reduced not more than 5 percent below the amount that was available to such State for such purpose for fiscal year 1995: *Provided further*, That of the funds appropriated to carry out section 303(a)(1) of such Act, \$4,449,000 shall be available for carrying out section 702(a) of such Act and \$4,732,000 shall be available for carrying out section 702(b) of such Act: *Provided further*, That in considering grant applications for nutrition services for elder Indian recipients, the Assistant Secretary shall provide maximum flexibility to applicants who seek to take into account subsistence, local customs, and other characteristics that are appropriate to the unique cultural, regional, and geographic needs of the American Indian, Alaska and Hawaiian Native communities to be served.

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OFFICE OF THE SECRETARY

GENERAL DEPARTMENTAL MANAGEMENT

For necessary expenses, not otherwise provided, for general departmental management, including hire of six sedans, and for carrying out titles III, XVII, and XX of the Public Health Service Act, and the United States-Mexico Border Health Commission Act, \$171,631,000, of which \$500,000 shall remain available until expended, together with \$5,851,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Hospital Insurance Trust Fund and the Supplemental Medical Insurance Trust Fund: *Provided*, That of the funds made available under this heading for carrying out title XVII of the Public Health Service Act, \$1,500,000 shall be available until expended for extramural construction.

OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$31,921,000.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, \$16,345,000, together with not to exceed \$3,314,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Hospital Insurance Trust Fund and the Supplemental Medical Insurance Trust Fund.

POLICY RESEARCH

For carrying out, to the extent not otherwise provided, research studies under section 1110 of the Social Security Act, \$14,000,000.

GENERAL PROVISIONS

SEC. 201. Funds appropriated in this title shall be available for not to exceed \$37,000 for official reception and representation expenses when specifically approved by the Secretary.

SEC. 202. The Secretary shall make available through assignment not more than 60 employees of the Public Health Service to assist in child survival activities and to work in AIDS programs through and with funds provided by the Agency for International Development, the United Nations International Children's Emergency Fund or the World Health Organization.

SEC. 203. None of the funds appropriated under this Act may be used to implement section 399L(b) of the Public Health Service Act or section 1503 of the National Institutes of Health Revitalization Act of 1993, Public Law 103-43.

SEC. 204. None of the funds appropriated in this Act for the National Institutes of Health and the Substance Abuse and Mental Health Services Administration shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of \$125,000 per year.

SEC. 205. None of the funds appropriated in this Act may be expended pursuant to section 241 of the Public Health Service Act, except for funds specifically provided for in this Act, or for

other taps and assessments made by any office located in the Department of Health and Human Services, prior to the Secretary's preparation and submission of a report to the Committee on Appropriations of the Senate and of the House detailing the planned uses of such funds.

SEC. 206. None of the funds appropriated in this Act may be obligated or expended for the Federal Council on Aging under the Older Americans Act or the Advisory Board on Child Abuse and Neglect under the Child Abuse Prevention and Treatment Act.

(TRANSFER OF FUNDS)

SEC. 207. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended) which are appropriated for the current fiscal year for the Department of Health and Human Services in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: *Provided*, That the Appropriations Committees of both Houses of Congress are notified at least fifteen days in advance of any transfer.

SEC. 208. The Director of the National Institutes of Health, jointly with the Director of the Office of AIDS Research, may transfer up to 3 percent among institutes, centers, and divisions from the total amounts identified by these two Directors as funding for research pertaining to the human immunodeficiency virus: *Provided*, That the Congress is promptly notified of the transfer.

SEC. 209. Of the amounts made available in this Act for the National Institutes of Health, the amount for research related to the human immunodeficiency virus, as jointly determined by the Director of NIH and the Director of the Office of AIDS Research, shall be made available to the "Office of AIDS Research" account. The Director of the Office of AIDS Research shall transfer from such account amounts necessary to carry out section 2353(d)(3) of the Public Health Service Act.

SEC. 210. Funds appropriated in this Act for the National Institutes of Health may be used to provide transit subsidies in amounts consistent with the transportation subsidy programs authorized under section 629 of Public Law 101-509 to non-FTE bearing positions including trainees, visiting fellows and volunteers.

SEC. 211. (a) The Secretary of Health and Human Services may in accordance with this section provide for the relocation of the Federal facility known as the Gillis W. Long Hansen's Disease Center (located in the vicinity of Carville, in the State of Louisiana), including the relocation of the patients of the Center.

(b)(1) Subject to paragraph (2), in relocating the Center the Secretary may on behalf of the United States transfer to the State of Louisiana, without charge, title to the real property and improvements that as of the date of the enactment of this Act constitute the Center. Such real property is a parcel consisting of approximately 330 acres. The exact acreage and legal description used for purposes of the transfer shall be in accordance with a survey satisfactory to the Secretary.

(2) Any conveyance under paragraph (1) is not effective unless the deed or other instrument of conveyance contains the conditions specified in subsection (d); the instrument specifies that the United States and the State of Louisiana agree to such conditions; and

the instrument specifies that, if the State engages in a material breach of the conditions, title to the real property and improvements involved reverts to the United States at the election of the Secretary.

(c)(1) With respect to Federal equipment and other items of Federal personal property that are in use at the Center as of the date of the enactment of this Act, the Secretary may, subject to paragraph (2), transfer to the State such items as the Secretary determines to be appropriate, if the Secretary makes the transfer under subsection (b).

(2) A transfer of equipment or other items may be made under paragraph (1) only if the State agrees that, during the 30-year period beginning on the date on which the transfer under subsection (b) is made, the items will be used exclusively for purposes that promote the health or education of the public, except that the Secretary may authorize such exceptions as the Secretary determines to be appropriate.

(d) For purposes of subsection (b)(2), the conditions specified in this subsection with respect to a transfer of title are the following:

(1) During the 30-year period beginning on the date on which the transfer is made, the real property and improvements referred to in subsection (b)(1) (referred to in this subsection as the "transferred property") will be used exclusively for purposes that promote the health or education of the public, with such incidental exceptions as the Secretary may approve.

(2) For purposes of monitoring the extent to which the transferred property is being used in accordance with paragraph (1), the Secretary will have access to such documents as the Secretary determines to be necessary, and the Secretary may require the advance approval of the Secretary for such contracts, conveyances of real or personal property, or other transactions as the Secretary determines to be necessary.

(3) The relocation of patients from the transferred property will be completed not later than 3 years after the date on which the transfer is made, except to the extent the Secretary determines that relocating particular patients is not feasible. During the period of relocation, the Secretary will have unrestricted access to the transferred property, and after such period will have such access as may be necessary with respect to the patients who pursuant to the preceding sentence are not relocated.

(4)(A) With respect to projects to make repairs and energy-related improvements at the transferred property, the Secretary will provide for the completion of all such projects for which contracts have been awarded and appropriations have been made as of the date on which the transfer is made.

(B) If upon completion of the projects referred to in subparagraph (A) there are any unobligated balances of amounts appropriated for the projects, and the sum of such balances is in excess of \$100,000—

(i) the Secretary will transfer the amount of such excess to the State; and

(ii) the State will expend such amount for the purposes referred to in paragraph (1), which may include the renovation of facilities at the transferred property.

(5)(A) The State will maintain the cemetery located on the transferred property, will permit individuals who were long-

term-care patients of the Center to be buried at the cemetery, and will permit members of the public to visit the cemetery.

(B) The State will permit the Center to maintain a museum on the transferred property, and will permit members of the public to visit the museum.

(C) In the case of any waste products stored at the transferred property as of the date of the transfer, the Federal Government will after the transfer retain title to and responsibility for the products, and the State will not require that the Federal Government remove the products from the transferred property.

(6) In the case of each individual who as of the date of the enactment of this Act is a Federal employee at the transferred property with facilities management or dietary duties:

(A) The State will offer the individual an employment position with the State, the position with the State will have duties similar to the duties the individual performed in his or her most recent position at the transferred property, and the position with the State will provide compensation and benefits that are similar to the compensation and benefits provided for such most recent position, subject to the concurrence of the Governor of the State.

(B) If the individual becomes an employee of the State pursuant to subparagraph (A), the State will make payments in accordance with subsection (e)(2)(B) (relating to disability), as applicable with respect to the individual.

(7) The Federal Government may, consistent with the intended uses by the State of the transferred property, carry out at such property activities regarding at-risk youth.

(8) Such additional conditions as the Secretary determines to be necessary to protect the interests of the United States. (e)(1) This subsection applies if the transfer under subsection

(b) is made.

(2) In the case of each individual who as of the date of the enactment of this Act is a Federal employee at the Center with facilities management or dietary duties, and who becomes an employee of the State pursuant to subsection (d)(6)(A):

(A) The provisions of subchapter III of chapter 83 of title 5, United States Code, or of chapter 84 of such title, whichever are applicable, that relate to disability shall be considered to remain in effect with respect to the individual (subject to subparagraph (C)) until the earlier of—

(i) the expiration of the 2-year period beginning on the date on which the transfer under subsection (b) is made; or

(ii) the date on which the individual first meets all conditions for coverage under a State program for payments during retirement by reason of disability.

(B) The payments to be made by the State pursuant to subsection (d)(6)(B) with respect to the individual are payments to the Civil Service Retirement and Disability Fund, if the individual is receiving Federal disability coverage pursuant to subparagraph (A). Such payments are to be made in a total amount equal to that portion of the normal-cost percentage (determined through the use of dynamic assumptions) of the basic pay of the individual that is allocable to such coverage

and is paid for service performed during the period for which such coverage is in effect. Such amount is to be determined in accordance with chapter 84 of such title 5, is to be paid at such time and in such manner as mutually agreed by the State and the Office of Personnel Management, and is in lieu of individual or agency contributions otherwise required.

(C) In the determination pursuant to subparagraph (A) of whether the individual is eligible for Federal disability coverage (during the applicable period of time under such subparagraph), service as an employee of the State after the date of the transfer under subsection (b) shall be counted toward the service requirement specified in the first sentence of section 8337(a) or 8451(a)(1)(A) of such title 5 (whichever is applicable).

(3) In the case of each individual who as of the date of the enactment of this Act is a Federal employee with a position at the Center and is, for duty at the Center, receiving the pay differential under section 208(e) of the Public Health Service Act or under section 5545(d) of title 5, United States Code:

(A) If as of the date of the transfer under subsection (b) the individual is eligible for an annuity under section 8336 or 8412 of title 5, United States Code, then once the individual separates from the service and thereby becomes entitled to receive the annuity, the pay differential shall be included in the computation of the annuity if the individual separated from the service not later than the expiration of the 90-day period beginning on the date of the transfer.

(B) If the individual is not eligible for such an annuity as of the date of the transfer under subsection (b) but subsequently does become eligible, then once the individual separates from the service and thereby becomes entitled to receive the annuity, the pay differential shall be included in the computation of the annuity if the individual separated from the service not later than the expiration of the 90-day period beginning on the date on which the individual first became eligible for the annuity.

(C) For purposes of this paragraph, the individual is eligible for the annuity if the individual meets all conditions under such section 8336 or 8412 to be entitled to the annuity, except the condition that the individual be separated from the service.

(4) With respect to individuals who as of the date of the enactment of this Act are Federal employees with positions at the Center and are not, for duty at the center, receiving the pay differential under section 208(e) of the Public Health Service Act or under section 5545(d) of title 5, United States Code:

(A) During the calendar years 1997 and 1998, the Secretary may in accordance with this paragraph provide to any such individual a voluntary separation incentive payment. The purpose of such payments is to avoid or minimize the need for involuntary separations under a reduction in force with respect to the Center.

(B) During calendar year 1997, any payment under subparagraph (A) shall be made under section 663 of the Treasury, Postal Service, and General Government Appropriations Act, 1997 (as contained in section 101(f) of division A of Public Law 104-208), except that, for purposes of this subparagraph, subsection (b) of such section 663 does not apply.

(C) During calendar year 1998, such section 663 applies with respect to payments under subparagraph (A) to the same extent and in the same manner as such section applied with respect to the payments during fiscal year 1997, and for purposes of this subparagraph, the reference in subsection (c)(2)(D) of such section 663 to December 31, 1997, is deemed to be a reference to December 31, 1998.

(f) The following provisions apply if under subsection (a) the Secretary makes the decision to relocate the Center:

(1) The site to which the Center is relocated shall be in the vicinity of Baton Rouge, in the State of Louisiana.

(2) The facility involved shall continue to be designated as the Gillis W. Long Hansen's Disease Center.

(3) The Secretary shall make reasonable efforts to inform the patients of the Center with respect to the planning and carrying out of the relocation.

(4) In the case of each individual who as of October 1, 1996, was a patient of the Center and is considered by the Director of the Center to be a long-term-care patient (referred to in this subsection as an "eligible patient"), the Secretary shall continue to provide for the long-term care of the eligible patient, without charge, for the remainder of the life of the patient.

(5)(A) For purposes of paragraph (4), an eligible patient who is legally competent has the following options with respect to support and maintenance and other nonmedical expenses:

(i) For the remainder of his or her life, the patient may reside at the Center.

(ii) For the remainder of his or her life, the patient may receive payments each year at an annual rate of \$33,000 (adjusted in accordance with subparagraphs (C) and (D)), and may not reside at the Center. Payments under this clause are in complete discharge of the obligation of the Federal Government under paragraph (4) for support and maintenance and other nonmedical expenses of the patient.

(B) The choice by an eligible patient of the option under clause (i) of subparagraph (A) may at any time be revoked by the patient, and the patient may instead choose the option under clause (ii) of such subparagraph. The choice by an eligible patient of the option under such clause (ii) is irrevocable.

(C) Payments under subparagraph (A)(ii) shall be made on a monthly basis, and shall be pro rated as applicable. In 1999 and each subsequent year, the monthly amount of such payments shall be increased by a percentage equal to any percentage increase taking effect under section 215(i) of the Social Security Act (relating to a cost-of-living increase) for benefits under title II of such Act (relating to Federal old-age, survivors, and disability insurance benefits). Any such percentage increase in monthly payments under subparagraph (A)(ii) shall take effect in the same month as the percentage increase under such section 215(i) takes effect.

(D) With respect to the provision of outpatient and inpatient medical care for Hansen's disease and related complications to an eligible patient:

(i) The choice the patient makes under subparagraph (A) does not affect the responsibility of the Secretary for providing to the patient such care at or through the Center.

(ii) If the patient chooses the option under subparagraph (A)(ii) and receives inpatient care at or through the Center, the Secretary may reduce the amount of payments under such subparagraph, except to the extent that reimbursement for the expenses of such care is available to the provider of the care through the program under title XVIII of the Social Security Act or the program under title XIX of such Act. Any such reduction shall be made on the basis of the number of days for which the patient received the inpatient care.

(6) The Secretary shall provide to each eligible patient such information and time as may be necessary for the patient to make an informed decision regarding the options under paragraph (5)(A).

(7) After the date of the enactment of this Act, the Center may not provide long-term care for any individual who as of such date was not receiving such care as a patient of the Center.

(8) If upon completion of the projects referred to in subsection (d)(4)(A) there are unobligated balances of amounts appropriated for the projects, such balances are available to the Secretary for expenses relating to the relocation of the Center, except that, if the sum of such balances is in excess of \$100,000, such excess is available to the State in accordance with subsection (d)(4)(B). The amounts available to the Secretary pursuant to the preceding sentence are available until expended.

(g) For purposes of this section:

(1) The term "Center" means the Gillis W. Long Hansen's Disease Center.

(2) The term "Secretary" means the Secretary of Health and Human Services.

(3) The term "State" means the State of Louisiana.

(h) Section 320 of the Public Health Service Act (42 U.S.C. 247e) is amended by striking the section designation and all that follows and inserting the following:

"SEC. 320. (a)(1) At or through the Gillis W. Long Hansen's Disease Center (located in the State of Louisiana), the Secretary shall without charge provide short-term care and treatment, including outpatient care, for Hansen's disease and related complications to any person determined by the Secretary to be in need of such care and treatment. The Secretary may not at or through such Center provide long-term care for any such disease or complication.

"(2) The Center referred to in paragraph (1) shall conduct training in the diagnosis and management of Hansen's disease and related complications, and shall conduct and promote the coordination of research (including clinical research), investigations, demonstrations, and studies relating to the causes, diagnosis, treatment, control, and prevention of Hansen's disease and other mycobacterial diseases and complications related to such diseases.

"(3) Paragraph (1) is subject to section 211 of the Department of Health and Human Services Appropriations Act, 1998.

"(b) In addition to the Center referred to in subsection (a), the Secretary may establish sites regarding persons with Hansen's

disease. Each such site shall provide for the outpatient care and treatment for Hansen's disease and related complications to any person determined by the Secretary to be in need of such care and treatment.

"(c) The Secretary shall carry out subsections (a) and (b) acting through an agency of the Service. For purposes of the preceding sentence, the agency designated by the Secretary shall carry out both activities relating to the provision of health services and activities relating to the conduct of research.

"(d) The Secretary shall make payments to the Board of Health of the State of Hawaii for the care and treatment (including outpatient care) in its facilities of persons suffering from Hansen's disease at a rate determined by the Secretary. The rate shall be approximately equal to the operating cost per patient of such facilities, except that the rate may not exceed the comparable costs per patient with Hansen's disease for care and treatment provided by the Center referred to in subsection (a). Payments under this subsection are subject to the availability of appropriations for such purpose."

SEC. 212. None of the funds appropriated in the Act may be made available to any entity under title X of the Public Health Service Act unless the applicant for the award certifies to the Secretary that it encourages family participation in the decision of minors to seek family planning services and that it provides counseling to minors on how to resist attempts to coerce minors into engaging in sexual activities.

COMPREHENSIVE INDEPENDENT STUDY OF NIH RESEARCH PRIORITY
SETTING

SEC. 213. (a) STUDY BY THE INSTITUTE OF MEDICINE.—Not later than 30 days after the date of enactment of this Act, the Secretary of Health and Human Services shall enter into a contract with the Institute of Medicine to conduct a comprehensive study of the policies and process used by the National Institutes of Health to determine funding allocations for biomedical research.

(b) MATTERS TO BE ASSESSED.—The study under subsection (a) shall assess—

- (1) the factors or criteria used by the National Institutes of Health to determine funding allocations for disease research;
- (2) the process by which research funding decisions are made;
- (3) the mechanisms for public input into the priority setting process; and
- (4) the impact of statutory directives on research funding decisions.

(c) REPORT.—

(1) IN GENERAL.—Not later than 6 months after the date on which the Secretary of Health and Human Services enters into the contract under subsection (a), the Institute of Medicine shall submit a report concerning the study to the Committee on Labor and Human Resources and the Committee on Appropriations of the Senate, and the Committee on Commerce and the Committee on Appropriations of the House of Representatives.

(2) REQUIREMENT.—The report under paragraph (1) shall set forth the findings, conclusions, and recommendations of the Institute of Medicine for improvements in the National

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Institutes of Health research funding policies and processes and for any necessary congressional action.

This title may be cited as the "Department of Health and Human Services Appropriations Act, 1998".

TITLE III—DEPARTMENT OF EDUCATION

EDUCATION REFORM

For carrying out activities authorized by titles III and IV of the Goals 2000: Educate America Act, the School-to-Work Opportunities Act, and sections 3132, 3136, and 3141 and parts B, C, and D of title III of the Elementary and Secondary Education Act of 1965, \$1,275,035,000, of which \$464,500,000 for the Goals 2000: Educate America Act and \$200,000,000 for the School-to-Work Opportunities Act shall become available on July 1, 1998, and remain available through September 30, 1999: *Provided*, That none of the funds appropriated under this heading shall be obligated or expended to carry out section 304(a)(2)(A) of the Goals 2000: Educate America Act, except that no more than \$1,500,000 may be used to carry out activities under section 314(a)(2) of that Act: *Provided further*, That section 315(a)(2) of the Goals 2000 Act shall not apply: *Provided further*, That up to one-half of 1 percent of the amount available under section 3132 shall be set aside for the outlying areas, to be distributed on the basis of their relative need as determined by the Secretary in accordance with the purposes of the program: *Provided further*, That if any State educational agency does not apply for a grant under section 3132, that State's allotment under section 3131 shall be reserved by the Secretary for grants to local educational agencies in that State that apply directly to the Secretary according to the terms and conditions published by the Secretary in the Federal Register: *Provided further*, That of the funds made available under section 3136, \$5,000,000 shall be provided to the Hospitals, Universities, Businesses, and Schools program to develop a regional information infrastructure in the mid-Atlantic region, \$7,300,000 shall be for the "I Can Learn" project to integrate technology into eighth grade algebra classrooms and \$800,000 shall be provided for a distance education network involving a consortium of nine school districts and Nicolet Area Technical College: *Provided further*, That of the amount available for title III, part B of the Elementary and Secondary Education Act of 1965, as amended, \$8,000,000 shall be awarded to continue and expand the Iowa Communication Network statewide fiber optic demonstration project.

EDUCATION FOR THE DISADVANTAGED

For carrying out title I of the Elementary and Secondary Education Act of 1965, and section 418A of the Higher Education Act, \$8,021,827,000, of which \$6,553,249,000 shall become available on July 1, 1998, and shall remain available through September 30, 1999, and of which \$1,448,386,000 shall become available on October 1, 1998 and shall remain available through September 30, 1999, for academic year 1998-1999: *Provided*, That \$6,273,212,000 shall be available for basic grants under section 1124: *Provided further*, That up to \$3,500,000 of these funds shall be available to the Secretary on October 1, 1997, to obtain updated local-educational-agency-level census poverty data from the Bureau

Comprehensive
Reform
(Oby/Pater)

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of the Census: *Provided further*, That \$1,102,020,000 shall be available for concentration grants under section 1124A, \$6,977,000 shall be available for evaluations under section 1501 and not more than \$7,500,000 shall be reserved for section 1308, of which not more than \$3,000,000 shall be reserved for section 1308(d): *Provided further*, That grant awards under section 1124 and 1124A of title I of the Elementary and Secondary Education Act shall be made to each State or local educational agency at no less than 100 percent of the amount such State or local educational agency received under this authority for fiscal year 1997 under Public Laws 104-208 and 105-18: *Provided further*, That in determining State allocations under any other program administered by the Secretary, amounts provided under Public Law 105-18, or equivalent amounts provided for in this Act, will not be taken into account in determining State allocations: *Provided further*, That \$120,000,000 shall be available under section 1002(g)(2) to demonstrate effective approaches to comprehensive school reform to be allocated and expended in accordance with the instructions relating to this proviso in the statement of the managers on the conference report accompanying this Act: *Provided further*, That in carrying out this initiative, the Secretary and the States shall support only approaches that show the most promise of enabling children served by title I to meet challenging State content standards and challenging State student performance standards based on reliable research and effective practices, and include an emphasis on basic academics and parental involvement: *Provided further*, That such funds shall not be available for section 1503.

IMPACT AID

For carrying out programs of financial assistance to federally affected schools authorized by title VIII of the Elementary and Secondary Education Act of 1965, \$808,000,000, of which \$662,000,000 shall be for basic support payments under section 8003(b), \$50,000,000 shall be for payments for children with disabilities under section 8003(d), \$62,000,000, to remain available until expended, shall be for payments under section 8003(f), \$7,000,000 shall be for construction under section 8007, and \$24,000,000 shall be for Federal property payments under section 8002 of which such sums as may be necessary shall be for section 8002(j) and \$3,000,000, to remain available until expended, shall be for facilities maintenance under section 8008: *Provided*, That section 8003(f)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7709(f)(2)) is amended in clause (ii) in subclause (I) by striking "35 percent" and all that follows through the semicolon, and inserting the following: "25 percent of the total student enrollment of such agency. For purposes of this subclause, all students described in section 8003(a)(1) are used to determine eligibility, regardless of whether or not a local educational agency receives funds for these children from section 8003(b) of the Act."

The amendment made by this proviso shall apply with respect to fiscal years beginning with fiscal year 1996: *Provided*, That the Secretary of Education shall treat as timely filed, and shall process for payment, an application for a fiscal year 1998 payment from the local educational agency for Boston, Massachusetts, under section 8003 of the Elementary and Secondary Education Act of 1965 if the Secretary has received that application not later than 30 days after the enactment of this Act: *Provided further*, That

the Secretary of Education shall forgive any overpayments established for fiscal year 1994 under section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 874—81st Congress), for any local educational agency in the State of Texas receiving funds appropriated for fiscal year 1994 under the authority of this section: *Provided further*, That section 8002 of the Elementary and Education Act of 1965 (20 U.S.C. 7702) is amended by adding the following new subsection:

“(j) ADDITIONAL ASSISTANCE FOR CERTAIN LOCAL EDUCATIONAL AGENCIES IMPACTED BY FEDERAL PROPERTY ACQUISITION.—

“(1) RESERVATION.—From amounts appropriated under section 8014(g) for a fiscal year, the Secretary shall provide additional assistance to meet special circumstances relating to the provision of education in local educational agencies eligible to receive assistance under this section.

“(2) ELIGIBILITY.—(A) A local educational agency is eligible to receive additional assistance under this subsection only if such agency—

“(i) received a payment under both this section and section 8003(b) for fiscal year 1996 and is eligible to receive payments under those sections for the year of application;

“(ii) provided a free public education to children described under sections 8003(a)(1)(A), (B), or (D);

“(iii) had a military installation located within the geographic boundaries of the local educational agency that was closed as a result of base closure or realignment;

“(iv) remains responsible for the free public education of children residing in housing located on Federal property within the boundaries of the closed military installation but whose parents are on active duty in the uniformed services and assigned to a military activity located within the boundaries of an adjoining local educational agency; and

“(v) demonstrates to the satisfaction of the Secretary that such agency’s per-pupil revenue derived from local sources for current expenditures is not less than that revenue for the preceding fiscal year.

“(3) MAXIMUM AMOUNT.—(A) The maximum amount that a local educational agency is eligible to receive under this subsection for any fiscal year, when combined with its payment under subsection (b), shall not be more than 50 percent of the maximum amount determined under subsection (b);

“(B) If funds appropriated under section 8014(g) are insufficient to pay the amount determined under subparagraph (A), the Secretary shall ratably reduce the payment to each local education agency eligible under this subsection;

“(C) If funds appropriated under section 8014(g) are in excess of the amount determined under subparagraph (A) the Secretary shall ratably distribute any excess funds to all local educational agencies eligible for payment under subsection (b) of this section.”:

Provided further, That section 8014 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7714) is amended by adding the following new subsection:

“(g) ADDITIONAL ASSISTANCE FOR CERTAIN FEDERAL PROPERTY LOCAL EDUCATIONAL AGENCIES.—For the purpose of carrying out section 8002(j) there are authorized to be appropriated such sums

as are necessary beginning in fiscal year 1998 and for each succeeding fiscal year.”: *Provided further*, That of the funds available for section 8007, the Secretary shall, under such terms and conditions he determines appropriate, first provide \$1,500,000 to applicant number 11-2815 and \$1,500,000 to applicant number 36-4403 for the construction of public elementary or secondary schools where the current structures are unsafe and pose serious health threats to the students, if requests for funding and construction project descriptions are submitted to the Secretary within 30 days of enactment of this Act: *Provided further*, That notwithstanding any deadline established by the Secretary of Education under subsection (c) of section 8005 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7705), and without regard to paragraphs (1)(A), (2), and (3) of subsection (d) of that section, the Secretary shall accept, as if timely received, an application from the Maconaquah School Corporation, Bunker Hill, Indiana, under section 8003 of that Act for fiscal year 1996 if the Secretary has received that application not later than 30 days after the enactment of this Act: *Provided further*, That notwithstanding any other provision of law, the Secretary of Defense shall treat any data included in an application described in the preceding proviso, and that is approved by the Secretary of Education, as data to be used in determining the eligibility of the Maconaquah School Corporation, Bunker Hill, Indiana, for, and the amount of, a payment for any of the fiscal years 1998 through 2000 under section 386 of the National Defense Authorization Act for Fiscal Year 1993: *Provided further*, That section 8 of Public Law 104-195 is amended by striking the period after “year” and adding the following: “or, for fiscal year 1995 or fiscal year 1996, the amount of any payment under section 8003(f) of the Elementary and Secondary Education Act of 1965”: *Provided further*, That the Secretary of Education shall deem the local educational agency serving the Clinton County School District in Albany, Kentucky, to meet the eligibility requirements of section 8002(a)(1)(C) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7702(a)(1)(C)).

SCHOOL IMPROVEMENT PROGRAMS

For carrying out school improvement activities authorized by titles II, IV-A-1 and 2, V-A and B, VI, IX, X, and XIII of the Elementary and Secondary Education Act of 1965; the Stewart B. McKinney Homeless Assistance Act; and the Civil Rights Act of 1964; \$1,538,188,000, of which \$1,246,300,000 shall become available on July 1, 1998, and remain available through September 30, 1999: *Provided*, That of the amount appropriated, \$335,000,000 shall be for Eisenhower professional development State grants under title II-B of the Elementary and Secondary Education Act of 1965 of which \$25,000,000 shall be for professional development in reading, \$350,000,000 shall be for innovative education program strategies State grants under title VI-A of said Act and \$750,000 shall be for an evaluation of comprehensive regional assistance centers under title XIII of said Act: *Provided further*, That of the amount made available for title IV-A-2, \$350,000 shall be for the Yonkers Public Schools for innovative anti-drug and anti-violence activities.

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CHILD LITERACY INITIATIVE

(INCLUDING TRANSFER OF FUNDS)

For carrying out a literacy initiative, \$210,000,000, which shall become available on October 1, 1998 and shall remain available through September 30, 1999 only if specifically authorized by subsequent legislation enacted by July 1, 1998: *Provided*, That, if the initiative is not authorized by such date, the funds shall be transferred to "Special Education" to be merged with that account and to be available for the same purposes for which that account is available: *Provided further*, That the transferred funds shall become available for obligation on July 1, 1999, and shall remain available through September 30, 2000 for academic year 1999–2000.

INDIAN EDUCATION

For expenses necessary to carry out, to the extent not otherwise provided, title IX, part A of the Elementary and Secondary Education Act of 1965, as amended, and section 215 of the Department of Education Organization Act, \$62,600,000.

BILINGUAL AND IMMIGRANT EDUCATION

For carrying out, to the extent not otherwise provided, bilingual, foreign language and immigrant education activities authorized by parts A and C and section 7203 of title VII of the Elementary and Secondary Education Act of 1965, without regard to section 7103(b), \$354,000,000: *Provided*, That State educational agencies may use all, or any part of, their part C allocation for competitive grants to local educational agencies: *Provided further*, That the Department of Education should only support instructional programs which ensure that students completely master English in a timely fashion (a period of three to five years) while meeting rigorous achievement standards in the academic content areas.

SPECIAL EDUCATION

For carrying out the Individuals with Disabilities Education Act, \$4,810,646,000, of which \$4,565,185,000 shall become available for obligation on July 1, 1998, and shall remain available through September 30, 1999: *Provided*, That \$1,500,000 of the funds provided shall be for section 687(b)(2)(G), and shall remain available until expended.

REHABILITATION SERVICES AND DISABILITY RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, the Technology-Related Assistance for Individuals with Disabilities Act, and the Helen Keller National Center Act, as amended, \$2,591,195,000.

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101 et seq.), \$8,186,000.

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NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

For the National Technical Institute for the Deaf under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), \$44,141,000: *Provided*, That from the amount available, the Institute may at its discretion use funds for the endowment program as authorized under section 207.

GALLAUDET UNIVERSITY

For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf, and the partial support of Gallaudet University under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), \$81,000,000: *Provided*, That from the amount available, the University may at its discretion use funds for the endowment program as authorized under section 207.

VOCATIONAL AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational and Applied Technology Education Act, the Adult Education Act, and the National Literacy Act of 1991, \$1,507,698,000, of which \$1,504,598,000 shall become available on July 1, 1998 and shall remain available through September 30, 1999; and of which \$5,491,000 from amounts available under the Adult Education Act shall be for the National Institute for Literacy under section 384(c): *Provided*, That, of the amounts made available for title II of the Carl D. Perkins Vocational and Applied Technology Education Act, \$13,497,000 shall be used by the Secretary for national programs under title IV, without regard to section 451: *Provided further*, That the Secretary may reserve up to \$4,998,000 under section 313(d) of the Adult Education Act for activities carried out under section 383 of that Act: *Provided further*, That no funds shall be awarded to a State Council under section 112(f) of the Carl D. Perkins Vocational and Applied Technology Education Act, and no State shall be required to operate such a Council.

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1, 3, and 4 of part A, part C and part E of title IV of the Higher Education Act of 1965, as amended, \$8,978,934,000, which shall remain available through September 30, 1999.

The maximum Pell Grant for which a student shall be eligible during award year 1998–1999 shall be \$3,000: *Provided*, That notwithstanding section 401(g) of the Act, if the Secretary determines, prior to publication of the payment schedule for such award year, that the amount included within this appropriation for Pell Grant awards in such award year, and any funds available from the fiscal year 1997 appropriation for Pell Grant awards, are insufficient to satisfy fully all such awards for which students are eligible, as calculated under section 401(b) of the Act, the amount paid for each such award shall be reduced by either a fixed or variable percentage, or by a fixed dollar amount, as determined in accordance with a schedule of reductions established by the Secretary for this purpose: *Provided further*, That if the Secretary determines that the funds available to fund Pell Grants for award year 1998–1999 exceed the amount needed to fund Pell Grants at a maximum

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award of \$3,000 for that award year, the Secretary may increase the income protection allowances in sections 475(g)(2)(D), and 476(b)(1)(A)(iv)(I), (II), and (III) up to the amounts at which Pell Grant awards calculated using the increased income protection allowances equal the funds available to make Pell Grants in award year 1998–1999 with a \$3,000 maximum award, except that the income protection allowance in section 475(g)(2)(D) may not exceed \$2,200, the income protection allowance in sections 476(b)(1)(A)(iv)(I) and (II) may not exceed \$4,250, and the income protection allowance in section 476(b)(1)(A)(iv)(III) may not exceed \$7,250.

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT

For Federal administrative expenses to carry out guaranteed student loans authorized by title IV, part B, of the Higher Education Act, as amended, \$46,482,000.

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, parts A and B of title III, without regard to section 360(a)(1)(B)(ii), titles IV, V, VI, VII, and IX, and part A, subpart 1 of part B, and part E of title X and title XI of the Higher Education Act of 1965, as amended, part G of title XV of Public Law 102–325, the Mutual Educational and Cultural Exchange Act of 1961, and Public Law 102–423; \$946,738,000, of which \$13,700,000 for interest subsidies under title VII of the Higher Education Act shall remain available until expended: *Provided*, That funds available for part D of title IX of the Higher Education Act shall be available to fund new and noncompeting continuation awards for academic year 1998–1999 for fellowships awarded under part C of title IX of said Act, under the terms and conditions of part C: *Provided further*, That from the funds made available under Part A of title X of the Higher Education Act, \$1,000,000 shall be awarded to the Advanced Technical Center at Mexico, Missouri for the delivery of technical education in cooperation with community colleges and State technical schools and \$3,000,000 shall be for the delivery of technical education and distance learning at Empire State College in New York.

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), \$210,000,000: *Provided*, That from the amount available, the University may at its discretion use funds for the endowment program as authorized under the Howard University Endowment Act (Public Law 98–480).

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

For Federal administrative expenses to carry out activities related to facility loans entered into under title VII, part C and section 702 of the Higher Education Act, as amended, \$698,000.

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HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING,
PROGRAM ACCOUNT

The total amount of bonds insured pursuant to section 724 of title VII, part B of the Higher Education Act shall not exceed \$357,000,000, and the cost, as defined in section 502 of the Congressional Budget Act of 1974, of such bonds shall not exceed zero.

For administrative expenses to carry out the Historically Black College and University Capital Financing Program entered into pursuant to title VII, part B of the Higher Education Act, as amended, \$104,000.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

For carrying out activities authorized by the Educational Research, Development, Dissemination, and Improvement Act of 1994, including part E; the National Education Statistics Act of 1994; section 2102 of title II, and parts A, B, I, and K and section 10601 of title X, and part C of title XIII of the Elementary and Secondary Education Act of 1965, as amended, and title VI of Public Law 103-227, \$431,438,000: *Provided*, That of the amount provided for section 10101 of part A of title X of the Elementary and Secondary Education Act of 1965, \$1,000,000 shall be awarded to the National Museum of Women in the Arts; \$500,000 shall be for enhanced teacher training in reading in the District of Columbia; \$5,000,000 shall be for innovative learning opportunities for at-risk children at children's museums in Philadelphia, Baltimore, Boston and museums in Chicago; \$8,000,000 shall be for a demonstration of public school facilities repair and construction to the Iowa Department of Education; \$350,000 shall be awarded to the White Plains City School District to expand an after school program; \$100,000 shall be for the Montgomery County, Pennsylvania library network; \$55,000 shall be awarded to the St. Stephen Life Center in Louisville, Kentucky; and \$25,000,000 shall be available to demonstrate effective approaches to comprehensive school reform to be allocated and expended in accordance with the instructions relating to this proviso in the statement of managers on the conference report accompanying this Act: *Provided further*, That the funds made available for comprehensive school reform shall become available on July 1, 1998, and remain available through September 30, 1999, and in carrying out this initiative, the Secretary and the States shall support only approaches that show the most promise of enabling children to meet challenging State content standards and challenging State student performance standards based on reliable research and effective practices, and include an emphasis on basic academics and parental involvement: *Provided further*, That (1) of the amount appropriated under this heading and notwithstanding any other provision of law, the Secretary of Education may award \$1,000,000 to a State educational agency (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)) to pay for appraisals, resource studies, and other expenses associated with the exchange of State school trust lands within the boundaries of a national monument for Federal lands outside the boundaries of the monument; and (2) the State educational agency is eligible to receive a grant under paragraph (1) only if the agency serves a State that—

(A) has a national monument declared within the State under the authority of the Act entitled "An Act for the preservation of American antiquities", approved June 8, 1906 (16 U.S.C. 431 et seq.) (commonly known as the Antiquities Act of 1906) that incorporates more than 100,000 acres of State school trust lands within the boundaries of the national monument; and

(B) ranks in the lowest 25 percent of all States when comparing the average per pupil expenditure (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)) in the State to the average per pupil expenditure for each State in the United States.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

For carrying out subtitle B of the Museum and Library Services Act, \$146,340,000.

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of two passenger motor vehicles, \$341,064,000.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, \$61,500,000.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, \$30,242,000.

GENERAL PROVISIONS

SEC. 301. No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

SEC. 302. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

SEC. 303. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

(TRANSFER OF FUNDS)

SEC. 304. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended) which are appropriated for the Department of Education in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: *Provided*, That the Appropriations Committees of both Houses of Congress are notified at least fifteen days in advance of any transfer.

SEC. 305. (a) Notwithstanding any other provision of Federal law, no funds provided to the Department of Education or to an applicable program (as defined in section 400(c)(1) of the General Education Provisions Act (20 U.S.C. 1221(c)(1))), in this Act or in any other Act in fiscal year 1998, may be used to field test, pilot test, implement, administer or distribute in any way, any national tests.

(b) EXCEPTION.—Subsection (a) shall not apply to the Third International Math and Science Study or the National Assessment of Educational Progress.

SEC. 306. (a) STUDY.—The National Academy of Sciences, in consultation with the National Governors Association, the National Conference of State Legislatures, the White House, the National Assessment Governing Board, and the Congress, shall conduct a feasibility study to determine if an equivalency scale can be developed that would allow test scores from commercially available standardized tests and State assessments to be compared with each other and the National Assessment of Educational Progress.

(b) REPORT OF FINDINGS TO CONGRESS.—(1) The National Academy of Sciences shall submit a written report to the White House, the Committee on Education and the Workforce of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committees on Appropriations of the House of Representatives and the Senate not later than September 1, 1998.

(2) The National Academy of Sciences shall submit an interim report no later than June 15, 1998.

NATIONAL ASSESSMENT GOVERNING BOARD

SEC. 307 (a). Notwithstanding any other provision of law, the exclusive authority over all policies, direction, and guidelines for developing voluntary national tests pursuant to contract RJ97153001 previously entered into between the Department of Education and the American Institutes for Research and executed on August 15, 1997, shall be vested in the National Assessment Governing Board established under section 412 of the National Education Statistics Act of 1994 (20 U.S.C. 9011); *Provided*, That within 90 days after the date of enactment of this Act, the Board shall review the national test development contract in effect on the date of enactment of this Act, and modify the contract as the Board determines necessary and not inconsistent with this Act or applicable laws: *Provided further*, That if the contract cannot be modified to the extent determined necessary by the Board, the

contract shall be terminated and the Board shall negotiate a new contract, under the Board's exclusive control, for the tests, not inconsistent with this Act or applicable laws.

(b) In carrying out its exclusive authority for developing voluntary national tests pursuant to contract RJ97153001, any subsequent contract related thereto, or any contract modification pursuant to subsection (a), the National Assessment Governing Board shall determine—

(1) the extent to which test items selected for use on the tests are free from racial, cultural or gender bias;

(2) whether the test development process and test items adequately assess student reading and mathematics comprehension in the form most likely to yield accurate information regarding student achievement in reading and mathematics;

(3) whether the test development process and test items take into account the needs of disadvantaged, limited English proficient and disabled students; and

(4) whether the test development process takes into account how parents, guardians, and students will appropriately be informed about testing content, purpose and uses.

SEC. 308. STUDY.—The National Academy of Sciences shall, not later than September 1, 1998, submit a written report to the Committee on Education and the Workforce of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committees on Appropriations of the House and Senate that evaluates all test items developed or funded by the Department of Education or any other agency of the Federal Government pursuant to contract RJ97153001, any subsequent contract related thereto, or any contract modification by the National Assessment Governing Board pursuant to section 307 of this Act, for—

(1) the technical quality of any test items for 4th grade reading and 8th grade mathematics;

(2) the validity, reliability, and adequacy of developed test items;

(3) the validity of any developed design which links test results to student performance;

(4) the degree to which any developed test items provide valid and useful information to the public;

(5) whether the test items are free from racial, cultural, or gender bias;

(6) whether the test items address the needs of disadvantaged, limited English proficient and disabled students; and

(7) whether the test items can be used for tracking, graduation or promotion of students.

SEC. 309. (a) STUDY.—The National Academy of Sciences shall conduct a study and make written recommendations on appropriate methods, practices, and safeguards to ensure that—

(1) existing and new tests that are used to assess student performance are not used in a discriminatory manner or inappropriately for student promotion, tracking or graduation; and

(2) existing and new tests adequately assess student reading and mathematics comprehension in the form most likely to yield accurate information regarding student achievement of reading and mathematics skills.

(b) REPORT TO CONGRESS.—The National Academy of Sciences shall submit a written report to the White House, the National Assessment Governing Board, the Committee on Education and the Workforce of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committees on Appropriations of the House and Senate not later than September 1, 1998.

SEC. 310. (a) The Federal Government shall not require any State or local educational agency or school to administer or implement any pilot or field test in any subject or grade, nor shall the Federal Government require any student to take any national test in any subject or grade.

(b) Nothing in section 309(a) shall be construed as affecting the National Assessment of Educational Progress or the Third International Math and Science Study.

SEC. 311. No Federal, State or local educational agency may require any private or parochial school student, or home-schooled individual, to take any pilot or field test developed under this Act, contract RJ97153001, or any contract related thereto, without the written consent of the parents or legal guardians of the student or individual.

SEC. 312. Notwithstanding any other provision of law, any institution of higher education which receives funds under title III of the Higher Education Act, except for grants made under section 326, may use up to 20 percent of its award under part A or part B of the Act for endowment building purposes authorized under section 331. Any institution seeking to use part A or part B funds for endowment building purposes shall indicate such intention in its application to the Secretary and shall abide by departmental regulations governing the endowment challenge grant program.

(TRANSFER OF FUNDS)

SEC. 313. Notwithstanding any other provision of the Higher Education Act, \$280,000,000 of the balances of returned reserves, formerly held by the Higher Education Assistance Foundation, that are currently held in Higher Education Assistance Claims Reserves, Treasury account number 91X6192, shall be transferred to Miscellaneous Receipts of the Treasury, within 60 days of enactment of this Act.

IMPACT AID

SEC. 314. (a) IN GENERAL.—From funds made available to carry out section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 874, 81st Congress) for fiscal year 1994 that remain after making 100 percent of the payments local educational agencies are eligible to receive under such section for such fiscal year, the Secretary of Education shall make payments to applicants for fiscal year 1996 pursuant to subsection (b).

(b) AWARD BASIS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary of Education shall make a payment to each applicant in an amount that bears the same relation to the total amount of remaining funds described in subsection (a) as the number of children who were in average daily attendance in the schools served by the applicant for fiscal year 1996 bears to the total

number of all such children in the schools served by all applicants for such year.

(2) SPECIAL RULE.—Any applicant that had less than 200 children in average daily attendance in the schools served by the applicant for fiscal year 1996 shall receive a payment under this section for fiscal year 1996 in an amount equal to not less than \$175,000.

(3) DATA.—For purposes of computing payments under this section, the Secretary of Education shall use data that—

(A) was included in each applicant's application for assistance under section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703) for fiscal year 1996; and

(B) is verified by the Secretary.

(c) DEFINITION OF APPLICANT.—For purposes of this section, the term "applicant" means an applicant for assistance under section 8003 of the Elementary and Secondary Education Act of 1965 for fiscal year 1996 having 1 of the following applicant numbers for such year:

- (1) 51-0904.
- (2) 51-4203.
- (3) 51-1903.
- (4) 51-0010.
- (5) 51-0811.
- (6) 51-2101.

SEC. 315. Section 10304 of the Elementary and Secondary Education Act of 1965 is amended by adding at the end the following:

"(g) TRIBALLY CONTROLLED SCHOOLS.—Each State that receives a grant under this part and designates a tribally controlled school as a charter school shall not consider payments to a school under the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2507) in determining—

"(1) the eligibility of the school to receive any other Federal, State, or local aid; or

"(2) the amount of such aid."

This title may be cited as the "Department of Education Appropriations Act, 1998".

TITLE IV—RELATED AGENCIES

ARMED FORCES RETIREMENT HOME.

For expenses necessary for the Armed Forces Retirement Home to operate and maintain the United States Soldiers' and Airmen's Home and the United States Naval Home, to be paid from funds available in the Armed Forces Retirement Home Trust Fund, \$68,669,000, of which \$13,217,000 shall remain available until expended for construction and renovation of the physical plants at the United States Soldiers' and Airmen's Home and the United States Naval Home: *Provided*, That, notwithstanding any other provision of law, a single contract or related contracts for the development and construction at the United States Soldiers' and Airmen's Home, to include renovation of the Sheridan building, may be employed which collectively include the full scope of the project: *Provided further*, That the solicitation and contract shall contain the clause "availability of funds" found at 48 CFR 52.232-18 and 252.232-7007 Limitation of Government Obligation.

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CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

DOMESTIC VOLUNTEER SERVICE PROGRAMS, OPERATING EXPENSES

For expenses necessary for the Corporation for National and Community Service to carry out the provisions of the Domestic Volunteer Service Act of 1973, as amended, \$256,604,000.

CORPORATION FOR PUBLIC BROADCASTING

For payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934, an amount which shall be available within limitations specified by that Act, for the fiscal year 2000, \$300,000,000: *Provided*, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, or similar forms of entertainment for Government officials or employees: *Provided further*, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity from which any person is excluded, or is denied benefits, or is discriminated against, on the basis of race, color, national origin, religion, or sex.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor Management Relations Act, 1947 (29 U.S.C. 171-180, 182-183), including hire of passenger motor vehicles; and for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a); and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, Public Law 95-454 (5 U.S.C. ch. 71), \$33,481,000, including \$1,500,000, to remain available through September 30, 1999, for activities authorized by the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a): *Provided*, That notwithstanding 31 U.S.C. 3302, fees charged, up to full-cost recovery, for special training activities and for arbitration services shall be credited to and merged with this account, and shall remain available until expended: *Provided further*, That fees for arbitration services shall be available only for education, training, and professional development of the agency workforce: *Provided further*, That the Director of the Service is authorized to accept on behalf of the United States gifts of services and real, personal, or other property in the aid of any projects or functions within the Director's jurisdiction.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Federal Mine Safety and Health Review Commission (30 U.S.C. 801 et seq.), \$6,060,000.

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NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SALARIES AND EXPENSES

For necessary expenses for the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91-345, as amended by Public Law 102-95), \$1,000,000.

NATIONAL COUNCIL ON DISABILITY

SALARIES AND EXPENSES

For expenses necessary for the National Council on Disability as authorized by title IV of the Rehabilitation Act of 1973, as amended, \$1,793,000.

NATIONAL EDUCATION GOALS PANEL

For expenses necessary for the National Education Goals Panel, as authorized by title II, part A of the Goals 2000: Educate America Act, \$2,000,000.

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended (29 U.S.C. 141-167), and other laws, \$174,661,000: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 percent of the water stored or supplied thereby is used for farming purposes: *Provided further*, That none of the funds made available by this Act shall be used in any way to promulgate a final rule (altering 29 CFR part 103) regarding single location bargaining units in representation cases.

NATIONAL MEDIATION BOARD

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151-188), including emergency boards appointed by the President, \$8,600,000: *Provided*, That unobligated balances at the end of fiscal year 1998 not needed for emergency boards shall remain available for other statutory purposes through September 30, 1999.

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OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Occupational Safety and Health Review Commission (29 U.S.C. 661), \$7,900,000.

MEDICARE PAYMENT ADVISORY COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1805 of the Social Security Act, \$7,015,000, to be transferred to this appropriation from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, \$205,500,000, which shall include amounts becoming available in fiscal year 1998 pursuant to section 224(c)(1)(B) of Public Law 98-76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds \$205,500,000: *Provided*, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, \$50,000, to remain available through September 30, 1999, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98-76.

LIMITATION ON ADMINISTRATION

For necessary expenses for the Railroad Retirement Board for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, \$87,228,000, to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund.

LIMITATION ON THE OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, as amended, not more than \$5,794,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account: *Provided*, That none of the funds made available in any other paragraph of this Act may be transferred to the Office; used to carry out any such transfer;

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used to provide any office space, equipment, office supplies, communications facilities or services, maintenance services, or administrative services for the Office; used to pay any salary, benefit, or award for any personnel of the Office; used to pay any other operating expense of the Office; or used to reimburse the Office for any service provided, or expense incurred, by the Office: *Provided further*, That none of the funds made available in this paragraph may be used for any audit, investigation, or review of the Medicare Program.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance trust funds, as provided under sections 201(m), 228(g), and 1131(b)(2) of the Social Security Act, \$20,308,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, \$426,090,000, to remain available until expended.

For making, after July 31 of the current fiscal year, benefit payments to individuals under title IV of the Federal Mine Safety and Health Act of 1977, for costs incurred in the current fiscal year, such amounts as may be necessary.

For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year 1999, \$160,000,000, to remain available until expended.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, \$16,160,000,000, to remain available until expended: *Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury.

From funds provided under the previous paragraph, not less than \$100,000,000 shall be available for payment to the Social Security trust funds for administrative expenses for conducting continuing disability reviews.

In addition, \$175,000,000, to remain available until September 30, 1999, for payment to the Social Security trust funds for administrative expenses for continuing disability reviews as authorized by section 103 of Public Law 104-121 and Supplemental Security Income administrative work as authorized by Public Law 104-193. The term "continuing disability reviews" means reviews and redeterminations as defined under section 201(g)(1)(A) of the Social Security Act, as amended, and reviews and redeterminations authorized under section 211 of Public Law 104-193.

For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security

Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year 1999, \$8,680,000,000, to remain available until expended.

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, including the hire^{*} of two passenger motor vehicles, and not to exceed \$10,000 for official reception and representation expenses, not more than \$5,894,040,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That not less than \$1,600,000 shall be for the Social Security Advisory Board: *Provided further*, That unobligated balances at the end of fiscal year 1998 not needed for fiscal year 1998 shall remain available until expended for a state-of-the-art computing network, including related equipment and non-payroll administrative expenses associated solely with this network: *Provided further*, That reimbursement to the trust funds under this heading for expenditures for official time for employees of the Social Security Administration pursuant to section 7131 of title 5, United States Code, and for facilities or support services for labor organizations pursuant to policies, regulations, or procedures referred to in section 7135(b) of such title shall be made by the Secretary of the Treasury, with interest, from amounts in the general fund not otherwise appropriated, as soon as possible after such expenditures are made.

From funds provided under the previous paragraph, notwithstanding the provision under this heading in Public Law 104-208 regarding unobligated balances at the end of fiscal year 1997 not needed for such fiscal year, an amount not to exceed \$50,000,000 from such unobligated balances shall, in addition to funding already available under this heading for fiscal year 1998, be available for necessary expenses.

From funds provided under the first paragraph, not less than \$200,000,000 shall be available for conducting continuing disability reviews.

In addition to funding already available under this heading, and subject to the same terms and conditions, \$290,000,000, to remain available until September 30, 1999, for continuing disability reviews as authorized by section 103 of Public Law 104-121, section 10203 of Public Law 105-33 and Supplemental Security Income administrative work as authorized by Public Law 104-193. The term "continuing disability reviews" means reviews and redeterminations as defined under section 201(g)(1)(A) of the Social Security Act as amended, and reviews and redeterminations authorized under section 211 of Public Law 104-193.

In addition to funding already available under this heading, and subject to the same terms and conditions, \$190,000,000, which shall remain available until expended, to invest in a state-of-the-art computing network, including related equipment and non-payroll administrative expenses associated solely with this network, for the Social Security Administration and the State Disability Determination Services, may be expended from any or all of the trust funds as authorized by section 201(g)(1) of the Social Security Act.

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In addition, \$35,000,000 to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93-66, which shall remain available until expended. To the extent that the amounts collected pursuant to such section 1616(d) or 212(b)(3) in fiscal year 1998 exceed \$35,000,000, the amounts shall be available in fiscal year 1999 only to the extent provided in advance in appropriations Acts.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$10,164,000, together with not to exceed \$38,260,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

In addition, an amount not to exceed 3 percent of the total provided in this appropriation may be transferred from the "Limitation on Administrative Expenses", Social Security Administration, to be merged with this account, to be available for the time and purposes for which this account is available: *Provided*, That notice of such transfers shall be transmitted promptly to the Committees on Appropriations of the House and Senate.

UNITED STATES INSTITUTE OF PEACE

OPERATING EXPENSES

For necessary expenses of the United States Institute of Peace as authorized in the United States Institute of Peace Act, \$11,160,000.

TITLE V—GENERAL PROVISIONS

SEC. 501. The Secretaries of Labor, Health and Human Services, and Education are authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act: *Provided*, That such transferred balances are used for the same purpose, and for the same periods of time, for which they were originally appropriated.

SEC. 502. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 503. (a) No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress or any State legislature, except in presentation to the Congress or any State legislature itself.

(b) No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity

designed to influence legislation or appropriations pending before the Congress or any State legislature.

SEC. 504. The Secretaries of Labor and Education are each authorized to make available not to exceed \$15,000 from funds available for salaries and expenses under titles I and III, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed \$2,500 from the funds available for "Salaries and expenses, Federal Mediation and Conciliation Service"; and the Chairman of the National Mediation Board is authorized to make available for official reception and representation expenses not to exceed \$2,500 from funds available for "Salaries and expenses, National Mediation Board".

SEC. 505. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

SEC. 506. Section 505 is subject to the condition that after March 31, 1998, a program for exchanging such needles and syringes for used hypodermic needles and syringes (referred to in this section as an "exchange project") may be carried out in a community if—

(1) the Secretary of Health and Human Services determines that exchange projects are effective in preventing the spread of HIV and do not encourage the use of illegal drugs; and

(2) the project is operated in accordance with criteria established by such Secretary for preventing the spread of HIV and for ensuring that the project does not encourage the use of illegal drugs.

SEC. 507. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 508. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds included in this Act, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state: (1) the percentage of the total costs of the program or project which will be financed with Federal money; (2) the dollar amount of Federal

funds for the project or program; and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources.

SEC. 509. (a) None of the funds appropriated under this Act shall be expended for any abortion.

(b) None of the funds appropriated under this Act shall be expended for health benefits coverage that includes coverage of abortion.

(c) The term "health benefits coverage" means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement.

SEC. 510. (a) The limitations established in the preceding section shall not apply to an abortion—

(1) if the pregnancy is the result of an act of rape or incest; or

(2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

(b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State, locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds).

(c) Nothing in the preceding section shall be construed as restricting the ability of any managed care provider from offering abortion coverage or the ability of a State or locality to contract separately with such a provider for such coverage with State funds (other than a State's or locality's contribution of Medicaid matching funds).

SEC. 511. Notwithstanding any other provision of law—

(1) no amount may be transferred from an appropriation account for the Departments of Labor, Health and Human Services, and Education except as authorized in this or any subsequent appropriation Act, or in the Act establishing the program or activity for which funds are contained in this Act;

(2) no department, agency, or other entity, other than the one responsible for administering the program or activity for which an appropriation is made in this Act, may exercise authority for the timing of the obligation and expenditure of such appropriation, or for the purpose for which it is obligated and expended, except to the extent and in the manner otherwise provided in sections 1512 and 1513 of title 31, United States Code; and

(3) no funds provided under this Act shall be available for the salary (or any part thereof) of an employee who is reassigned on a temporary detail basis to another position in the employing agency or department or in any other agency or department, unless the detail is independently approved by the head of the employing department or agency.

SEC. 512. None of the funds made available in this Act may be used to enforce the requirements of section 428(b)(1)(U)(iii) of the Higher Education Act of 1965 with respect to any lender when it is made known to the Federal official having authority to obligate or expend such funds that the lender has a loan portfolio under part B of title IV of such Act that is equal to or less than \$5,000,000.

SEC. 513. (a) None of the funds made available in this Act may be used for—

(1) the creation of a human embryo or embryos for research purposes; or

(2) research in which a human embryo or embryos are destroyed, discarded, or knowingly subjected to risk of injury or death greater than that allowed for research on fetuses in utero under 45 CFR 46.208(a)(2) and section 498(b) of the Public Health Service Act (42 U.S.C. 289g(b)).*

(b) For purposes of this section, the term “human embryo or embryos” include any organism, not protected as a human subject under 45 CFR 46 as of the date of the enactment of this Act, that is derived by fertilization, parthenogenesis, cloning, or any other means from one or more human gametes or human diploid cells.

SEC. 514. (a) LIMITATION ON USE OF FUNDS FOR PROMOTION OF LEGALIZATION OF CONTROLLED SUBSTANCES.—None of the funds made available in this Act may be used for any activity when it is made known to the Federal official having authority to obligate or expend such funds that the activity promotes the legalization of any drug or other substance included in schedule I of the schedules of controlled substances established by section 202 of the Controlled Substances Act (21 U.S.C. 812).

(b) EXCEPTIONS.—The limitation in subsection (a) shall not apply when it is made known to the Federal official having authority to obligate or expend such funds that there is significant medical evidence of a therapeutic advantage to the use of such drug or other substance or that federally sponsored clinical trials are being conducted to determine therapeutic advantage.

SEC. 515. None of the funds made available in this Act may be obligated or expended to enter into or renew a contract with an entity when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) such entity is otherwise a contractor with the United States and is subject to the requirement in section 4212(d) of title 38, United States Code, regarding submission of an annual report to the Secretary of Labor concerning employment of certain veterans; and

(2) such entity has not submitted a report as required by that section for the most recent year for which such requirement was applicable to such entity.

SEC. 516. (a) FEES FOR FEDERAL ADMINISTRATION OF STATE SUPPLEMENTARY SSI PAYMENTS.—

(1) OPTIONAL STATE SUPPLEMENTARY PAYMENTS.—

(A) IN GENERAL.—Section 1616(d)(2)(B) of the Social Security Act (42 U.S.C. 1382e(d)(2)(B)) is amended—

(i) by striking “and” at the end of clause (iii);

and

(ii) by striking clause (iv) and inserting the following:

“(iv) for fiscal year 1997, \$5.00;

“(v) for fiscal year 1998, \$6.20;

“(vi) for fiscal year 1999, \$7.60;

“(vii) for fiscal year 2000, \$7.80;

“(viii) for fiscal year 2001, \$8.10;

“(ix) for fiscal year 2002, \$8.50; and

“(x) for fiscal year 2003 and each succeeding fiscal year—

“(I) the applicable rate in the preceding fiscal year, increased by the percentage, if any, by which the Consumer Price Index for the month of June of the calendar year of the increase exceeds the Consumer Price Index for the month of June of the calendar year preceding the calendar year of the increase, and rounded to the nearest whole cent; or

“(II) such different rate as the Commissioner determines is appropriate for the State.”

(B) CONFORMING AMENDMENT.—Section 1616(d)(2)(C) of such Act (42 U.S.C. 1382e(d)(2)(C)) is amended by striking “(B)(iv)” and inserting “(B)(x)(II)”.

(2) MANDATORY STATE SUPPLEMENTARY PAYMENTS.—

(A) IN GENERAL.—Section 212(b)(3)(B)(ii) of Public Law 93-66 (42 U.S.C. 1382 note) is amended—

(i) by striking “and” at the end of subclause (III);

and

(ii) by striking subclause (IV) and inserting the following:

“(IV) for fiscal year 1997, \$5.00;

“(V) for fiscal year 1998, \$6.20;

“(VI) for fiscal year 1999, \$7.60;

“(VII) for fiscal year 2000, \$7.80;

“(VIII) for fiscal year 2001, \$8.10;

“(IX) for fiscal year 2002, \$8.50; and

“(X) for fiscal year 2003 and each succeeding fiscal year—

“(aa) the applicable rate in the preceding fiscal year, increased by the percentage, if any, by which the Consumer Price Index for the month of June of the calendar year of the increase exceeds the Consumer Price Index for the month of June of the calendar year preceding the calendar year of the increase, and rounded to the nearest whole cent; or

“(bb) such different rate as the Commissioner determines is appropriate for the State.”

(B) CONFORMING AMENDMENT.—Section 212(b)(3)(B)(iii) of such Act (42 U.S.C. 1382 note) is amended by striking “(ii)(IV)” and inserting “(ii)(X)(bb)”.

(b) USE OF NEW FEES TO DEFRAY THE SOCIAL SECURITY ADMINISTRATION'S ADMINISTRATIVE EXPENSES.—

(1) CREDIT TO SPECIAL FUND FOR FISCAL YEAR 1998 AND SUBSEQUENT YEARS.—

(A) OPTIONAL STATE SUPPLEMENTARY PAYMENT FEES.—

Section 1616(d)(4) of the Social Security Act (42 U.S.C. 1382e(d)(4)) is amended to read as follows:

“(4)(A) The first \$5 of each administration fee assessed pursuant to paragraph (2), upon collection, shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.

“(B) That portion of each administration fee in excess of \$5, and 100 percent of each additional services fee charged pursuant to paragraph (3), upon collection for fiscal year 1998 and each subsequent fiscal year, shall be credited to a special fund established in the Treasury of the United States for State supplementary payment fees. The amounts so credited, to the extent and in the amounts provided in advance in appropriations Acts, shall be available to defray expenses incurred in carrying out this title and related laws.”

(B) MANDATORY STATE SUPPLEMENTARY PAYMENT FEES.—Section 212(b)(3)(D) of Public Law 93-66 (42 U.S.C. 1382 note) is amended to read as follows:

“(D)(i) The first \$5 of each administration fee assessed pursuant to subparagraph (B), upon collection, shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.

“(ii) The portion of each administration fee in excess of \$5, and 100 percent of each additional services fee charged pursuant to subparagraph (C), upon collection for fiscal year 1998 and each subsequent fiscal year, shall be credited to a special fund established in the Treasury of the United States for State supplementary payment fees. The amounts so credited, to the extent and in the amounts provided in advance in appropriations Acts, shall be available to defray expenses incurred in carrying out this section and title XVI of the Social Security Act and related laws.”.

(2) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—

From amounts credited pursuant to section 1616(d)(4)(B) of the Social Security Act and section 212(b)(3)(D)(ii) of Public Law 93-66 to the special fund established in the Treasury of the United States for State supplementary payment fees, there is authorized to be appropriated an amount not to exceed \$35,000,000 for fiscal year 1998, and such sums as may be necessary for each fiscal year thereafter, for administrative expenses in carrying out the supplemental security income program under title XVI of the Social Security Act and related laws.

SEC. 517. Section 520(c)(2)(D) of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1997, is amended by striking “September 30, 1997” and inserting in lieu thereof “December 31, 1997”.

SEC. 518. None of the funds made available in this Act may be used to pay the expenses of an election officer appointed by a court to oversee an election of any officer or trustee for the International Brotherhood of Teamsters.

SEC. 519. Subsection (k) of section 9302 of the Balanced Budget Act of 1997, as added by section 1604(f)(3) of the Taxpayer Relief Act of 1997, is repealed.

TITLE VI—OTHER PROVISIONS

SEC. 601. The amount of the DSH allotment for the State of Minnesota for fiscal year 1998, specified in the table under section 1923(f)(2) of the Social Security Act (as amended by section 4721(a)(1) of Public Law 105-33) is deemed to be \$33,000,000.

SEC. 602. Notwithstanding section 1923(f)(2) of the Social Security Act (42 U.S.C. 1396r-4(f)(2)) (as amended by section 4721(a)(1) of the Balanced Budget Act of 1997 (Public Law 105-33; 111 Stat. 511)), the amount of the DSH allotment for Wyoming for fiscal year 1998 is deemed to be \$67,000.

PARKINSON'S DISEASE RESEARCH

SEC. 603. (a) SHORT TITLE.—This section may be cited as the “Morris K. Udall Parkinson's Disease Research Act of 1997”.

(b) FINDING AND PURPOSE.—

(1) FINDING.—Congress finds that to take full advantage of the tremendous potential for finding a cure or effective

treatment, the Federal investment in Parkinson's disease must be expanded, as well as the coordination strengthened among the National Institutes of Health research institutes.

(2) PURPOSE.—It is the purpose of this section to provide for the expansion and coordination of research regarding Parkinson's disease, and to improve care and assistance for afflicted individuals and their family caregivers.

(c) PARKINSON'S DISEASE RESEARCH.—Part B of title IV of the Public Health Service Act (42 U.S.C. 284 et seq.) is amended by adding at the end the following:

“PARKINSON'S DISEASE

“SEC. 409B. (a) IN GENERAL.—The Director of NIH shall establish a program for the conduct and support of research and training with respect to Parkinson's disease (subject to the extent of amounts appropriated under subsection (e)).

“(b) INTER-INSTITUTE COORDINATION.—

“(1) IN GENERAL.—The Director of NIH shall provide for the coordination of the program established under subsection (a) among all of the national research institutes conducting Parkinson's disease research.

“(2) CONFERENCE.—Coordination under paragraph (1) shall include the convening of a research planning conference not less frequently than once every 2 years. Each such conference shall prepare and submit to the Committee on Appropriations and the Committee on Labor and Human Resources of the Senate and the Committee on Appropriations and the Committee on Commerce of the House of Representatives a report concerning the conference.

“(c) MORRIS K. UDALL RESEARCH CENTERS.—

“(1) IN GENERAL.—The Director of NIH is authorized to award Core Center Grants to encourage the development of innovative multidisciplinary research and provide training concerning Parkinson's disease. The Director is authorized to award not more than 10 Core Center Grants and designate each center funded under such grants as a Morris K. Udall Center for Research on Parkinson's Disease.

“(2) REQUIREMENTS.—

“(A) IN GENERAL.—With respect to Parkinson's disease, each center assisted under this subsection shall—

“(i) use the facilities of a single institution or a consortium of cooperating institutions, and meet such qualifications as may be prescribed by the Director of the NIH; and

“(ii) conduct basic and clinical research.

“(B) DISCRETIONARY REQUIREMENTS.—With respect to Parkinson's disease, each center assisted under this subsection may—

“(i) conduct training programs for scientists and health professionals;

“(ii) conduct programs to provide information and continuing education to health professionals;

“(iii) conduct programs for the dissemination of information to the public;

“(iv) separately or in collaboration with other centers, establish a nationwide data system derived from patient populations with Parkinson's disease, and

where possible, comparing relevant data involving general populations;

“(v) separately or in collaboration with other centers, establish a Parkinson’s Disease Information Clearinghouse to facilitate and enhance knowledge and understanding of Parkinson’s disease; and

“(vi) separately or in collaboration with other centers, establish a national education program that fosters a national focus on Parkinson’s disease and the care of those with Parkinson’s disease.

“(3) STIPENDS REGARDING TRAINING PROGRAMS.—A center may use funds provided under paragraph (1) to provide stipends for scientists and health professionals enrolled in training programs under paragraph (2)(B).

“(4) DURATION OF SUPPORT.—Support of a center under this subsection may be for a period not exceeding five years. Such period may be extended by the Director of NIH for one or more additional periods of not more than five years if the operations of such center have been reviewed by an appropriate technical and scientific peer review group established by the Director and if such group has recommended to the Director that such period should be extended.

“(d) MORRIS K. UDALL AWARDS FOR EXCELLENCE IN PARKINSON’S DISEASE RESEARCH.—The Director of NIH is authorized to establish a grant program to support investigators with a proven record of excellence and innovation in Parkinson’s disease research and who demonstrate potential for significant future breakthroughs in the understanding of the pathogenesis, diagnosis, and treatment of Parkinson’s disease. Grants under this subsection shall be available for a period of not to exceed 5 years.

“(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section and section 301 and title IV of the Public Health Service Act with respect to research focused on Parkinson’s disease, there are authorized to be appropriated up to \$100,000,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 and 2000.”

SEC. 604. (a) Section 414(a) of the Immigration and Nationality Act (8 U.S.C. 1524(a)) is amended by striking “fiscal year 1995, fiscal year 1996, and fiscal year 1997” and inserting “each of fiscal years 1998 and 1999”.

(b) The amendment made by subsection (a) shall take effect October 1, 1997.

SEC. 605. Subparagraphs (B) and (C) of section 1143(a)(2) of the Social Security Act (42 U.S.C. 1320b-13(a)(2)(B), (C)) are each amended by striking “employee” and inserting “employer, employee.”

SEC. 606. (a) Notwithstanding any other provision of law, the payments described in subsection (b) shall not be considered income or resources in determining eligibility for, or the amount of benefits under, a program or State plan under title XVI or XIX of the Social Security Act.

(b) The payments described in this subsection are payments made by the Secretary of Defense pursuant to section 657 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201; 110 Stat. 2584).

SEC. 607. In addition to amounts otherwise made available for payment of obligations in carrying out 49 U.S.C. 5338(a),

\$50,000,000 shall remain available until expended and to be derived from the Highway Trust Fund: *Provided*, That \$50,000,000 shall be paid from the Mass Transit Account of the Highway Trust Fund to the Federal Transit Administration's formula grants account: *Provided further*, That subsection (c) of section 337 of the Department of Transportation and Related Agencies Appropriations Act, 1998 is amended by inserting after "House and Senate Committees on Appropriations", the following: "and the Senate Committee on Commerce, Science, and Transportation".

SEC. 608. Clauses (i)(I) and (ii)(II) of section 403(a)(5)(A) of the Social Security Act are amended by striking "during the fiscal year" in each place it appears and inserting "during the period permitted under subparagraph (C)(vii) of this paragraph for the expenditure of funds under the grant".

EMERGENCY STUDENT LOAN CONSOLIDATION

SEC. 609. (a) SHORT TITLE; REFERENCES.—This section may be cited as the "Emergency Student Loan Consolidation Act of 1997". Except as otherwise expressly provided, whenever in this section an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(b) DEFINITION OF LOANS ELIGIBLE FOR CONSOLIDATION.—Section 428C(a)(4) (20 U.S.C. 1078-3(a)(4)) is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C) made under part D of this title, except that loans made under such part shall be eligible student loans only for consolidation loans for which the application is received by an eligible lender during the period beginning on the date of enactment of the Emergency Student Loan Consolidation Act of 1997 and ending on October 1, 1998;"

(c) TERMS OF CONSOLIDATION LOANS.—Section 428C(b)(4)(C)(ii) is amended—

(1) in subclause (I), by inserting after "consolidation loan" the following: "for which the application is received by an eligible lender before the date of enactment of the Emergency Student Loan Consolidation Act of 1997, or on or after October 1, 1998,";

(2) by striking "or" at the end of subclause (I);

(3) by inserting "or (II)" before the semicolon at the end of subclause (II);

(4) by redesignating subclause (II) as subclause (III); and

(5) by inserting after subclause (I) the following new subclause:

"(II) by the Secretary, in the case of a consolidation loan for which the application is received by an eligible lender on or after the date of enactment of the Emergency Student Loan Consolidation Act of 1997 and before October 1, 1998, except that the Secretary shall pay such interest only on that portion of the loan

that repays Federal Stafford Loans for which the student borrower received an interest subsidy under section 428 or Federal Direct Stafford Loans for which the borrower received an interest subsidy under section 455; or”.

(d) NONDISCRIMINATION IN LOAN CONSOLIDATION.—Section 428C(b) is amended by adding at the end the following new paragraph:

“(6) NONDISCRIMINATION IN LOAN CONSOLIDATION.—An eligible lender that makes consolidation loans under this section shall not discriminate against any borrower seeking such a loan—

“(A) based on the number or type of eligible student loans the borrower seeks to consolidate;

“(B) based on the type or category of institution of higher education that the borrower attended;

“(C) based on the interest rate to be charged to the borrower with respect to the consolidation loan; or

“(D) with respect to the types of repayment schedules offered to such borrower.”.

(e) INTEREST RATE.—Section 428C(c)(1) is amended—

(1) in the first sentence of subparagraph (A), by striking “(B) or (C)” and inserting “(B), (C), or (D)”; and

(2) by adding at the end the following new subparagraph:

“(D) A consolidation loan for which the application is received by an eligible lender on or after the date of enactment of the Emergency Student Loan Consolidation Act of 1997 and before October 1, 1998, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the rate specified in section 427A(f), except that the eligible lender may continue to calculate interest on such a loan at the rate previously in effect and defer, until not later than April 1, 1998, the recalculation of the interest on such a loan at the rate required by this subparagraph if the recalculation is applied retroactively to the date on which the loan is made.”.

(f) AMENDMENTS EFFECTIVE FOR PENDING APPLICANTS.—The consolidation loans authorized by the amendments made by this section shall be available notwithstanding any pending application by a student for a consolidation loan under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.), upon withdrawal of such application by the student at any time prior to receipt of such a consolidation loan.

(g) FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS.—

(1) PARENTS’ AVAILABLE INCOME.—Section 475(c)(1) (20 U.S.C. 1087oo(c)(1)) is amended—

(A) by striking “and” at the end of subparagraph (D);

(B) by striking the period at the end of subparagraph (E) and inserting “; and”; and

(C) by adding at the end of the following new subparagraph:

“(F) the amount of any tax credit taken by the parents under section 25A of the Internal Revenue Code of 1986.”.

(2) STUDENT CONTRIBUTION FROM AVAILABLE INCOME.—Section 475(g)(2) is amended—

(A) by striking “and” at the end of subparagraph (C);

(B) by striking the period at the end of subparagraph (D) and inserting “; and”; and

(C) by inserting after subparagraph (D) the following new subparagraph:

“(E) the amount of any tax credit taken by the student under section 25A of the Internal Revenue Code of 1986.”.

(h) FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.—Section 476(b)(1)(A) (20 U.S.C. 1087pp(b)(1)(A)) is amended—

(1) by striking “and” at the end of clause (jv); and

(2) by inserting after clause (v) the following new clause:

“(vi) the amount of any tax credit taken under section 25A of the Internal Revenue Code of 1986; and”.

(i) FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.—Section 477(b)(1) (20 U.S.C. 1087qq(b)(1)) is amended—

(1) by striking “and” at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting “; and”; and

(3) by adding at the end the following new subparagraph:

“(F) the amount of any tax credit taken under section 25A of the Internal Revenue Code of 1986.”.

(j) TOTAL INCOME.—Section 480(a)(2) (20 U.S.C. 1087vv(a)(2)) is amended—

(1) by striking “individual, and” and inserting “individual,”; and

(2) by inserting “and no portion of any tax credit taken under section 25A of the Internal Revenue Code of 1986,” before “shall be included”.

(k) OTHER FINANCIAL ASSISTANCE.—Section 480(j) is amended by adding at the end the following new paragraph:

“(4) Notwithstanding paragraph (1), a tax credit taken under section 25A of the Internal Revenue Code of 1986 shall not be treated as estimated financial assistance for purposes of section 471(3).”.

(l) IN GENERAL.—Section 458(a)(1) (20 U.S.C. 1087(a)(1)) is amended by striking “\$532,000,000” and inserting “\$507,000,000”.

(m) CONSTRUCTION.—Nothing in this Act or an amendment made by this Act shall be construed to prohibit the Secretary of Education from using funds that are returned or otherwise recovered by the Secretary under section 422(g) of the Higher Education Act of 1965 (20 U.S.C. 1072(g)) including the balances of returned reserve funds, formerly held by the Higher Education Assistance Foundation, that are currently held in Higher Education Assistance Foundation Claims Reserves, Treasury account number 91X6192, for expenditure for expenses pursuant to section 458 of such Act (20 U.S.C. 1087h).

TITLE VII—NATIONAL HEALTH MUSEUM

SEC. 701. SHORT TITLE.

This title may be cited as the “National Health Museum Development Act”.

SEC. 702. AMENDMENTS TO THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995.

Section 1067 of the National Defense Authorization Act for Fiscal Year 1995 (10 U.S.C. 176 note) is amended—

- (1) in subsection (a)—
 - (A) in paragraph (1), by adding “and” at the end;
 - (B) in paragraph (2), by striking “; and” and inserting a period; and
 - (C) by striking paragraph (3);
- (2) in subsection (b)—
 - (A) in the subsection heading, by striking “AND SITE OF FACILITY”;
 - (B) in paragraph (1), by striking “; and” and inserting a period;
 - (C) by striking paragraph (2); and
 - (D) by striking “Pathology—” and all that follows through “shall” in paragraph (1) and inserting “Pathology shall”; and
- (3) by striking subsections (c) through (e).

SEC. 703. NATIONAL HEALTH MUSEUM SITE.

(a) **SITE.**—The facility known as the National Health Museum shall be located on or near the Mall on land owned by the Federal Government or the District of Columbia (or both) in the District of Columbia.

(b) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed as limiting the authority or responsibilities of the National Capital Planning Commission or the Commission of Fine Arts.

- (c) **DEFINITION.**—In this section, the term “the Mall” means—
- (1) the land designated as “Union Square”, United States Reservation 6A; and
 - (2) the land designated as the “Mall”, United States Reservations 3, 4, 5, and 6.

SEC. 704. NATIONAL HEALTH MUSEUM COMMISSION.

(a) **ESTABLISHMENT OF COMMISSION.**—There is established a commission to be known as the National Health Museum Commission (hereafter referred to in this title as the “Commission”) that shall be comprised of eight members.

(b) **MEMBERSHIP.**—

(1) **IN GENERAL.**—The members of the Commission shall be appointed for the life of the Commission as follows:

- (A) Two members shall be appointed by the President.
- (B) Two members shall be appointed by the Speaker of the House of Representatives.
- (C) One member shall be appointed by the Minority Leader of the House of Representatives.
- (D) Two members shall be appointed by the Majority Leader of the Senate.
- (E) One member shall be appointed by the Minority Leader of the Senate.

(2) **PERSONS ELIGIBLE.**—The members of the Commission shall be individuals who have knowledge or expertise in matters to be studied by the Commission.

(3) **CHAIRPERSON.**—The President shall designate one member as the Chairperson of the Commission.

SEC. 705. DUTIES OF THE COMMISSION.

(a) **STUDY.**—It shall be the duty of the Commission to conduct a comprehensive study of the appropriate Federal role in the planning and operation of the National Health Museum, as well as

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any other issues deemed appropriate to the development of the National Health Museum.

(b) REPORT.—Not later than 1 year after the date on which the Commission first meets, the Commission shall submit to the President and Congress a comprehensive report of the Commission's findings and conclusions, together with any recommendations of the Commission.

SEC. 706. COMMISSION ADMINISTRATION MATTERS. †

(a) APPLICATION OF FACA.—The National Health Museum, Inc. shall be responsible for administering all Commission activities in accordance with the Federal Advisory Committee Act (5 U.S.C. App.).

(b) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

SEC. 707. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this section, \$500,000 for fiscal year 1998, to remain available until expended.

SEC. 708. TERMINATION OF THE COMMISSION.

The Commission shall terminate 60 days after the Commission submits the report required under section 705(b).

This Act may be cited as the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1998".

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

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SEC. 303. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

(TRANSFER OF FUNDS)

SEC. 304. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended) which are appropriated for the Department of Education in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: *Provided*, That the Appropriations Committees of both Houses of Congress are notified at least fifteen days in advance of any transfer.

SEC. 305. (a) Notwithstanding any other provision of Federal law, no funds provided to the Department of Education or to an applicable program (as defined in section 400(c)(1) of the General Education Provisions Act (20 U.S.C. 1221(c)(1))), in this Act or in any other Act in fiscal year 1998, may be used to field test, pilot test, implement, administer or distribute in any way, any national tests.

(b) **EXCEPTION.**—Subsection (a) shall not apply to the Third International Math and Science Study or the National Assessment of Educational Progress.

SEC. 306. (a) **STUDY.**—The National Academy of Sciences, in consultation with the National Governors Association, the National Conference of State Legislatures, the White House, the National Assessment Governing Board, and the Congress, shall conduct a feasibility study to determine if an equivalency scale can be developed that would allow test scores from commercially available standardized tests and State assessments to be compared with each other and the National Assessment of Educational Progress.

(b) **REPORT OF FINDINGS TO CONGRESS.**—(1) The National Academy of Sciences shall submit a written report to the White House, the Committee on Education and the Workforce of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committees on Appropriations of the House of Representatives and the Senate not later than September 1, 1998.

(2) The National Academy of Sciences shall submit an interim report no later than June 15, 1998.

NATIONAL ASSESSMENT GOVERNING BOARD

SEC. 307 (a). Notwithstanding any other provision of law, the exclusive authority over all policies, direction, and guidelines for developing voluntary national tests pursuant to contract RJ97153001 previously entered into between the Department of Education and the American Institutes for Research and executed on August 15, 1997, shall be vested in the National Assessment Governing Board established under section 412 of the National Education Statistics Act of 1994 (20 U.S.C. 9011); *Provided*, That within 90 days after the date of enactment of this Act, the Board shall review the national test development contract in effect on the date of enactment of this Act, and modify the contract as the Board determines necessary and not inconsistent with this Act or applicable laws: *Provided further*, That if the contract cannot be modified to the extent determined necessary by the Board, the

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contract shall be terminated and the Board shall negotiate a new contract, under the Board's exclusive control, for the tests, not inconsistent with this Act or applicable laws.

(b) In carrying out its exclusive authority for developing voluntary national tests pursuant to contract RJ97153001, any subsequent contract related thereto, or any contract modification pursuant to subsection (a), the National Assessment Governing Board shall determine—

(1) the extent to which test items selected for use on the tests are free from racial, cultural or gender bias;

(2) whether the test development process and test items adequately assess student reading and mathematics comprehension in the form most likely to yield accurate information regarding student achievement in reading and mathematics;

(3) whether the test development process and test items take into account the needs of disadvantaged, limited English proficient and disabled students; and

(4) whether the test development process takes into account how parents, guardians, and students will appropriately be informed about testing content, purpose and uses.

SEC. 308. STUDY.—The National Academy of Sciences shall, not later than September 1, 1998, submit a written report to the Committee on Education and the Workforce of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committees on Appropriations of the House and Senate that evaluates all test items developed or funded by the Department of Education or any other agency of the Federal Government pursuant to contract RJ97153001, any subsequent contract related thereto, or any contract modification by the National Assessment Governing Board pursuant to section 307 of this Act, for—

(1) the technical quality of any test items for 4th grade reading and 8th grade mathematics;

(2) the validity, reliability, and adequacy of developed test items;

(3) the validity of any developed design which links test results to student performance;

(4) the degree to which any developed test items provide valid and useful information to the public;

(5) whether the test items are free from racial, cultural, or gender bias;

(6) whether the test items address the needs of disadvantaged, limited English proficient and disabled students; and

(7) whether the test items can be used for tracking, graduation or promotion of students.

SEC. 309. (a) STUDY.—The National Academy of Sciences shall conduct a study and make written recommendations on appropriate methods, practices, and safeguards to ensure that—

(1) existing and new tests that are used to assess student performance are not used in a discriminatory manner or inappropriately for student promotion, tracking or graduation; and

(2) existing and new tests adequately assess student reading and mathematics comprehension in the form most likely to yield accurate information regarding student achievement of reading and mathematics skills.

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(b) **REPORT TO CONGRESS.**—The National Academy of Sciences shall submit a written report to the White House, the National Assessment Governing Board, the Committee on Education and the Workforce of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committees on Appropriations of the House and Senate not later than September 1, 1998.

SEC. 310. (a) The Federal Government shall not require any State or local educational agency or school to administer or implement any pilot or field test in any subject or grade, nor shall the Federal Government require any student to take any national test in any subject or grade.

(b) Nothing in section 309(a) shall be construed as affecting the National Assessment of Educational Progress or the Third International Math and Science Study.

SEC. 311. No Federal, State or local educational agency may require any private or parochial school student, or home-schooled individual, to take any pilot or field test developed under this Act, contract RJ97153001, or any contract related thereto, without the written consent of the parents or legal guardians of the student or individual.

SEC. 312. Notwithstanding any other provision of law, any institution of higher education which receives funds under title III of the Higher Education Act, except for grants made under section 326, may use up to 20 percent of its award under part A or part B of the Act for endowment building purposes authorized under section 331. Any institution seeking to use part A or part B funds for endowment building purposes shall indicate such intention in its application to the Secretary and shall abide by departmental regulations governing the endowment challenge grant program.

(TRANSFER OF FUNDS)

SEC. 313. Notwithstanding any other provision of the Higher Education Act, \$250,000,000 of the balances of returned reserves, formerly held by the Higher Education Assistance Foundation, that are currently held in Higher Education Assistance Claims Reserves, Treasury account number 91X6192, shall be transferred to Miscellaneous Receipts of the Treasury, within 60 days of enactment of this Act.

IMPACT AID

SEC. 314. (a) IN GENERAL.—From funds made available to carry out section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 874, 81st Congress) for fiscal year 1994 that remain after making 100 percent of the payments local educational agencies are eligible to receive under such section for such fiscal year, the Secretary of Education shall make payments to applicants for fiscal year 1996 pursuant to subsection (b).

(b) AWARD BASIS.—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the Secretary of Education shall make a payment to each applicant in an amount that bears the same relation to the total amount of remaining funds described in subsection (a) as the number of children who were in average daily attendance in the schools served by the applicant for fiscal year 1996 bears to the total



Bruce N. Reed
11/12/97 05:53:26 PM

Record Type: Record

To: William R. Kincaid/OPD/EOP

cc:

Subject: Re: DRAFT PRESS PAPER FOR TOMORROW 

This looks pretty good. I would make a few small changes in the standards section:

1. Put Standards first, not Head Start.
2. Change test graph to read, "The bill provides full funding to proceed with immediate development of the first-ever voluntary national tests in 4th grade reading and 8th grade math, based on widely accepted national standards used in NAEP. It puts the independent, bipartisan, National Assessment Governing Board (NAGB) in charge of test policies and development, as the Administration had proposed. The bill provides the Administration's full request of \$16 million to support the testing plan, and allows for pilot testing to begin in Fall 1998. The bill also provides for a feasibility study etc."



THE WHITE HOUSE
WASHINGTON

From the Office of:

The Domestic Policy Council

Elena Kagan
Deputy Assistant to the President
for Domestic Policy

TO: Bill Kincaid

FAX: 65581

PHONE: _____

PAGES: 5

MESSAGE: * Urgent

Please call (202) 456-5584 if there are any problems with the transmission.

**1998 Education Budget:
An Historic Investment in Educational Opportunity**

November 13, 1997

Now I ask you -- and I ask all our nation's governors; I ask parents, teachers, and citizens all across America -- for a new nonpartisan commitment to education -- because education is a critical national security issue for our future, and politics must stop at the schoolhouse door.

President Clinton, State of the Union Address, February 4, 1997

HIGHLIGHTS: The President's signature on the Labor-HHS-Education Appropriations Bill today, along with the education tax cuts enacted in August, take us an historic step closer to reaching the President's goal of making sure that every 8-year old can read, every 12-year old can log on to Internet, every 18-year old can go to college, and all Americans can keep on learning throughout their lifetimes. These investments represent the largest increase in our education investment in a generation, including the biggest increase in college aid since the GI Bill 50 years ago. The bill ~~being~~ signed today:

- ✓ promotes high standards and continued development of voluntary national tests;
- ✓ increases Pell Grants to \$3,000 -- the largest increase in two decades;
- ✓ expands Head Start;
- ✓ funds America Reads to help all children read well and independently by age 8;
- ✓ brings technology to the classroom; *and*
- ✓ expands choice and accountability through public Charter Schools.

HELPING YOUNG CHILDREN GET READY TO LEARN

I know this comes first chronologically, but I think it should go after all the K-12 stuff

keeping
to meet
Expands Head Start toward 1 Million Children. The bill provides nearly \$4.4 billion for Head Start, ~~continuing~~ *keeping* on track ~~with~~ *to meet* the President's commitment to the goal of serving one million children. With this \$374 million increase, Head Start funding will have increased 57% since 1993. The program will serve an estimated 836,000 children in 1998.

RAISING STANDARDS: HELPING STUDENTS MASTER THE BASICS AND ADVANCED SKILLS

More news, right?
Continues Development of Voluntary National Tests. The bill allows continued development of national tests in 4th grade reading and 8th grade math, based on widely accepted national standards used in the National Assessment of Educational Progress (NAEP). It shifts control over test policies and development to the independent, bipartisan National Assessment Governing Board (NAGB), as the Administration had proposed. The bill provides \$16 million to support the testing plan, and allows for pilot testing of test items to begin next Fall. The bill also provides for a feasibility study to determine if existing state tests can be linked to the NAEP standards *and to each other.*

both

Provides Funding for the America Reads Challenge. The bill provides \$301 million in new America Reads funding. This builds on current AmeriCorps tutoring efforts, and more than 800 colleges that have committed to using Federal work-study slots tutoring children who need help in reading.

this is not a good sentence - rewrite

- ✓ AmeriCorps and the senior volunteer programs won an increase of \$64 million in the two bills that fund ^{the} National Service program (\$39 million in the bill ~~being~~ signed today). This will fund more than 3000 AmeriCorps members and senior volunteers who will recruit more than 100,000 volunteer tutors.
- ✓ State teacher training and family literacy efforts are increased a total of \$47 million, and \$5 million is provided to help provide training for tutors.
- ✓ (\$210 million for pending legislation based on the President's America Reads initiative.) The House version of that legislation -- promoting tutoring, family literacy, and teacher training -- passed the House with the Administration's support on November 8.

not a sentence -
please make it
one.

Brings Technology to the Classroom. Technology education programs received a 91 percent increase, from \$305 million to \$545 million, including:

- ✓ **Technology Literacy Challenge Fund.** The bill provides \$425 million, more than twice as much as the \$200 million appropriated last year, to help States, communities, and schools acquire hardware, software, and connectivity linkages; provide professional development in the integration of technology into the curriculum; and apply technology to support school reform efforts and opportunities for all students.
- ✓ **Technology Innovation Challenge Grants.** The bill includes \$106 million-- a 41 percent increase over last year's level of \$75 million--to support 15 new projects focused on delivering the most effective training for teachers in using educational technologies, as well as 62 existing projects involving a wide range of innovative strategies for improving teaching and learning and increasing student access to technology.

Expands Choice and Accountability in Public Schools. President Clinton's Public Charter Schools Program received a 57 percent increase, from \$51 million to \$80 million. This program provides start-up funding for public schools that parents, teachers, and communities create -- and that States free from most rules and regulations ~~and instead holds them~~ accountable for raising student achievement. By the end of next year, the Department of Education will be funding nearly 1,000 locally-designed charter schools, accelerating progress toward the President's goal of developing 3,000 new charter schools by early in the next century.

while

Supports Certification of Master Teachers. The bill includes \$18.5 million in support of the President's plan to help 100,000 teachers nationwide seek certification as Master Teachers by

the National Board for Professional Teaching Standards.

Provides After-School Opportunities for Children. The bill dramatically expands support for the 21st Century Community Learning Centers program, providing \$40 million to support hundreds of after-school centers in rural and urban schools across the country that will provide academic enrichment, tutoring, and other learning opportunities while giving students a safe haven during the often-dangerous after-school hours.

Supports Strategies for Transforming Failing Schools. The bill includes \$150 million in *new funds* for an initiative, supported by the President, to help low-achieving, low-income schools transform themselves through proven reforms, addressing failing schools without abandoning public education. Will help almost 3,000 schools implement successful reforms.

This provision

Helps Children Learn English. The bill includes a 35% increase in bilingual and immigrant education secured by the President in the Balanced Budget Agreement. The bilingual education funding will help school districts teach English to more than a million limited English proficient children, as well as provide some 4,000 teachers with the training they need to do their jobs better. The Immigrant Education program will help more than a thousand school districts provide supplemental instructional services to 875,000 recent immigrant students.

Helps Children with Special Needs. This bill appropriates \$3.8 billion for Special Education Grants to States, an increase of \$700 million that will raise the Federal share of serving about 6 million children with disabilities by 19 percent. This increase will help States and school districts improve educational results for children with disabilities and help these children meet high standards, as called for by the recently enacted Individuals with Disabilities Act Amendments of 1997.

Promotes High Standards for All Children. The bill provides \$491 million for the President's Goals 2000 school reform program. Communities in every state are using Goals 2000 funds to upgrade curriculum, improve teaching, increase parental involvement in schools, and make greater use of computers in the classroom. Since 1994, over \$1.3 billion has been invested in this vital initiative.

Funds Extra Assistance for Low-Income Schools and Students. The bill provides nearly \$7.4 billion in Title I to support extra help in basic and advanced skills for more than ten million disadvantaged students in elementary and secondary schools. Under the Clinton Administration, investment in Title I has grown by over \$1 billion.

HELPING STUDENTS GET A COLLEGE EDUCATION AND CONTINUE LEARNING FOR A LIFETIME

Increases Pell Grant Award to \$3,000 Maximum. Congress adopted President Clinton's proposal to increase the maximum Pell Grant to \$3,000 -- *the largest increase in two*



decades. Approximately 3.7 million students will receive the \$300 increase, and an additional 214,000 low- and moderate-income families that were not previously eligible will receive Pell Grants.

Protects Families' Financial Aid Eligibility. The bill includes the President's proposal to ensure that families' eligibility for Federal financial aid is not reduced as a result of the tax cuts for higher education. This was a part of the Administration's original HOPE Scholarship proposal, but was not included in the recent tax legislation.

Reduces Student Loan Interest Rate. A one-year provision will reduce the interest rate on consolidation loans in the guaranteed student loan program to match the lower rate which has been offered under direct lending, and will allow old loans to be consolidated into either program.

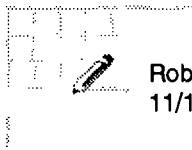
STRENGTHENING OUR NATION'S COMMITMENT TO EQUITY IN EDUCATION

Fully Funds Office for Civil Rights. The bill fully funds the Department of Education's Office for Civil Rights, meeting the President's request for a 12% increase in order to protect America's students from illegal discrimination in education.

Increases Funding for Historically Black Colleges and Universities and Hispanic Serving Institutions. The bill meets the President's request for increases for both Historically Black Colleges and Universities and Hispanic-Serving Institutions, providing greater support for these vital postsecondary institutions.

OTHER VICTORIES

The bill also maintains our investments in Safe and Drug-Free Schools and Communities, School-to-Work Opportunities, College Work-Study, and other education priorities.



Robert M. Shireman
11/12/97 03:33:23 PM

Record Type: Record

To: William R. Kincaid/OPD/EOP
cc: Jonathan Orszag/OPD/EOP, Jake Siewert/OPD/EOP
Subject: The latest version

is attached. Jon Orszag is working on the training numbers to be added at the end. There is also some new info from Education in the note below, which I haven't tried to incorporate (I'll take a look at it now). I WILL BE GONE 4:30-6:30, SO GO FORWARD WITHOUT ME. JAKE IS THE MAIN MAN HERE AT NEC.



edvict.wpd

----- Forwarded by Robert M. Shireman/OPD/EOP on 11/12/97 03:31 PM -----



Bill_Cordes @ ed.gov
11/13/97 02:35:00 AM

Record Type: Record

To: Robert M. Shireman
cc:
Subject: Re: ED Impact Data

Bob,

Here's what I got from our analysts on the programs with major increases. I did not include anything on America Reads because it looked from the email traffic that you were pulling that one together yourself (and because it's a multiagency effort). Larry Cohen did remind me that it might be good to mention the \$25 million increase for Eisenhower Professional Development State Grants in the context of the reading initiative since the conference agreement earmarked the entire increase for "professional development in reading." And in case you didn't hear from anyone else, the 94,000 new Pell grants due to the IPA change are part of the 214,000 total new recipients.

If you need anything else, let me know (401-1193).

Technology Literacy Challenge Fund

The bill provides \$425 million, more than twice as much as the \$200 million appropriated last year, to help States, communities, and schools acquire hardware, software, and connectivity linkages; provide professional development in the integration of technology into the curriculum; and apply technology to support school reform efforts and opportunities for all students.

Technology Innovative Challenge Grants

The bill includes \$106 million--a 41 percent increase over last year's level of \$75 million--to support 15 new projects focused on delivering the most effective training for teachers in using educational technologies, as well as 62 existing projects involving a wide range of innovative strategies for improving teaching and learning and increasing student access to technology.

Charter Schools

The \$80 million appropriation for the Charter Schools program will help expand public school choice by supporting an additional 500 new schools this year. By the end of next year we will be funding nearly 1,000 charter schools as part of our goal of creating 3,000 new schools that will improve public education by offering greater accountability, excellence, and choice to parents and students.

Comprehensive School Reform

This new \$150 million program will provide competitive awards of \$50,000 that will help almost 3,000 schools implement successful whole school reform approaches or develop their own research-based reforms aimed at helping all children meet challenging State standards.

Special Education Grants to States

This bill appropriates \$3.8 billion for Special Education Grants to States, an increase of \$700 million that will raise the Federal share of serving about 6 million children with disabilities by 19 percent. This increase will help States and school districts improve educational results for children with disabilities and help these children meet high standards, as called for by the recently enacted Individuals with Disabilities Act Amendments of 1997.

21st Century Learning Centers

The bill dramatically expands support for the 21st Century Community Learning Centers program, providing \$40 million to support hundreds of after-school centers in rural and urban schools across the country that will provide academic enrichment, tutoring, and other learning opportunities while giving students a safe haven during the

often-dangerous after-school hours.

Bilingual and Immigrant Education

The \$199 million appropriated for bilingual education will help school districts teach English to more than a million limited English proficient children, as well as provide some 4,000 teachers with the training they need to do their jobs better.

The bill also includes \$150 million--a 50-percent increase--for the Immigrant Education program to help more than a thousand school districts provide supplemental instructional services to 875,000 recent immigrant students.



111215BP.TXT



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE UNDER SECRETARY

MEMORANDUM

DATE : November 10, 1997

TO : Mike Smith

FROM : Tom Skelly *Tom S.*

SUBJECT : Final Passage of the 1998 Labor-HHS-Education Appropriations Bill

The House and Senate passed the 1998 Labor-HHS-Education Appropriations bill on Friday, November 7 and Saturday, November 8, respectively. The President is expected to sign the legislation later this week. Until he signs the bill, a Continuing Resolution will provide funding.

The final bill provides \$29.4 billion in discretionary funds for the Department of Education which is \$3.1 billion more than the 1997 level. Another \$1.7 billion becomes available October 1, 1998 for fiscal year 1999 (almost \$0.4 billion more than the comparable 1997 amount).

The bill includes a compromise on the voluntary national testing issue. The independent National Assessment Governing Board (NAGB) will help develop the reading and math tests but administration of the tests, even on a trial basis, will not occur in fiscal year 1998. The National Academy of Sciences (NAS) will study and report to Congress on existing tests and the tests being developed by NAGB.

The appropriations bill includes authorizing legislation that amends the Higher Education Act in three ways: (1) increasing the income protection allowance used in student aid need analysis; (2) allowing consolidation of the student loans at lower interest rates; and (3) ensuring that HOPE tax credits will not reduce Pell Grant eligibility. The Department worked with Congress to enact these changes.

Significant Increases:

- Technology Literacy Challenge Fund: \$425 million, an increase of \$225 million over 1997.
- Technology Innovative Challenge Grants: \$116 million, an increase of \$49 million over 1997.
- == Comprehensive School Reform: \$145 million for the new research-based program and \$5 million for related studies and dissemination.

- Child Literacy Initiative: \$210 million will become available on October 1, 1998. If authorizing language is not enacted by July 1, 1998, the \$210 million becomes available for Special Education State Grants.
- Bilingual and Immigrant Education: \$354 million, an increase of \$92.3 million over 1997.
- Special Education: \$4.4 billion, an increase of \$775 million over 1997.
- Eisenhower Professional Development State Grants: \$335 million, an increase of \$25 million over 1997.
- Charter Schools: \$80 million, an increase of \$29 million over 1997.
- Pell Grants: A \$1.4 billion increase in 1997 and a \$300 increase to \$3,000 for the maximum award in school year 1998-1999.
- 21st Century Community Learning Centers: \$40 million, which is \$39 million more than last year.

Attachment

cc: Senior Officers
Senior Staff

DEPARTMENT OF EDUCATION FISCAL YEAR 1998 CONGRESSIONAL ACTION
(in thousands of dollars)

Office	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
				Initial Amount	Amount after Gorton Provision	
Education Reform.....	\$890,973	\$1,245,000	\$1,022,165	\$1,271,000	\$1,271,000	\$1,275,035
Elementary and Secondary Education.....	10,016,184	15,357,088	10,570,205	10,206,742	10,206,742	10,280,615
Bilingual Education and Minority Languages Affairs	261,700	354,000	354,000	354,000	354,000	354,000
Special Education and Rehabilitative Services.....	6,674,310	6,922,279	7,150,532	7,682,406	7,682,406	7,535,168
Vocational and Adult Education.....	1,493,665	1,565,966	1,506,975	1,487,698	1,487,698	1,507,698
Postsecondary Education.....	12,704,222	14,653,293	14,324,523	13,780,410	13,780,410	14,545,689
Educational Research and Improvement.....	398,126	510,693	508,252	362,225	362,225	431,438
Program Administration.....	325,955	341,039	329,579	340,064	340,064	341,064
Office for Civil Rights.....	54,900	61,500	55,449	57,522	57,522	61,500
Office of the Inspector General.....	29,943	32,000	30,242	32,000	32,000	30,242
Headquarters Renovation.....	0	0	0	0	0	0
Contributions.....	0	0	0	0	0	0
Receipts.....	(61,581)	(61,180)	(61,180)	(61,180)	(61,180)	(61,180)
TOTAL, DEPARTMENT OF EDUCATION.....	32,788,397	40,981,678	35,790,742	35,512,887	35,512,887	36,301,269
Total, Discretionary Funds.....	26,311,919	29,349,749	29,158,813	28,880,958	28,880,958	29,408,521
Total, Mandatory.....	6,476,478	11,631,929	6,631,929	6,631,929	6,631,929	6,892,748

NOTE: Section 523 of H.R. 2264, as proposed by Senator Slade Gorton and as passed by the Senate, provides that all or a portion of the initial funds appropriated to support most programs or activities for K-12 students shall be included in two block grants to local educational agencies. This table reflects the initial Senate appropriation for activities and the allocation of funds pursuant to the Gorton provision.

(in thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
Education Reform							
1. Goals 2000 (Goals 2000 EAA):							
(a) State and local education systemic improvement (Title III).....	D	476,000	605,000	372,165	500,000	0	466,000
(b) Parental assistance (Title IV).....	D	15,000	15,000	15,000	30,000	0	25,000
Subtotal, Goals 2000.....		491,000	620,000	387,165	530,000	0	491,000
2. School-to-work opportunities (STW Opportunities Act Titles II, III and IV).....	D	199,973 ¹	200,000 ²	200,000 ²	200,000 ²	0 ³	200,000 ⁴
3. Technology literacy challenge fund (ESEA section 3132)..	D	200,000 ⁵	425,000	435,000	425,000	0	425,000
4. Education technology (ESEA III):							
(a) Technology for education (Part A):							
(1) Technology innovative challenge grants (section 3136).....	D	0	0	0	106,000	0	106,000
(2) Regional technology in education consortia (section 3141).....	D	0	0	0	10,000	0	10,000
Subtotal.....		0 ⁶	0 ⁶	0 ⁶	116,000	0	116,000
(b) Star schools (Part B).....	D	0 ⁶	0 ⁶	0 ⁶	0 ⁶	0 ⁶	34,000
(c) Ready to learn television (Part C).....	D	0 ⁶	0 ⁶	0 ⁶	0 ⁶	0 ⁶	7,000
(d) Telecommunications demonstration project for mathematics (Part D).....	D	0 ⁶	0 ⁶	0 ⁶	0 ⁶	0 ⁶	2,035
Subtotal.....		0	0	0	116,000	0	159,035
5. Portion applied to local educational agency block grant.	D	0	0	0	0	1,271,000 ⁶	0
Total.....		890,973	1,245,000	1,022,165	1,271,000	1,271,000	1,271,035
Outlays.....		586,078	722,043	710,901	723,343	0	723,545

¹ \$200,000 thousand was provided to each of the Departments of Education and Labor. The Department of Education amount reflects a subsequent reduction of \$27 thousand for this account's share of a \$1,381 thousand cancellation of funds available to the Department for salaries and expenses.

² An identical amount is included in the budget for the Department of Labor.

³ \$200,000 thousand is included in the budget for the Department of Labor.

⁴ Adjusted for comparability. Funds were provided in the Education Research, Statistics, and Improvement account.

⁵ Funds were provided under the Education, Research, Statistics, and Improvement account.

⁶ Reflects this account's share of a local educational agency (LEA) block grant, which totals \$5,638,570 thousand: \$5,378,570 thousand in fiscal year 1998 and \$260,000 thousand in fiscal year 1999. In addition, the Senate provided that all ESEA Title I funds be included in a separate block grant to LEAs, totalling \$7,797,634 thousand, of which \$1,298,386 thousand becomes available on October 1 of fiscal year 1999. The two block grants total \$13,436,204 thousand.

NOTE: Category Codes are as follows: D = discretionary program; M = mandatory program. The designation of programs as discretionary or mandatory is set forth in the Budget Enforcement Act of 1990.

NOV. 10. 1997 7:28PM OFFICE OF SECRETARY NO. 4961 P. 5/26

(in thousands of dollars)

Office, Account, Program and Activity	D \ M	1997	1998	1998	1998 Senate Floor		1998
		Enacted Appco.	President's Budget	House Floor	Initial Amount	Amount after Gorton Provision	Appco.
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION (OESE)							
Education for the Disadvantaged							
1. Grants to local educational agencies (ESEA I-A):							
(a) Basic grants:							
(1) Basic grants (section 1124(e)).....	D	6,269,712	6,187,350	6,187,850	6,269,712	0	6,269,712
(2) LEA Census poverty data.....	D	3,500	4,000	3,500	4,000	0	3,500
Subtotal, Basic grants.....		6,273,212	6,191,350	6,191,350	6,273,712	0	6,273,212
(b) Concentration grants (section 1124A).....	D	1,022,020	999,249	949,249	1,022,020	0	1,102,020
(c) Targeted grants (section 1125).....	D	0	350,000	400,000	0	0	0
Subtotal.....		7,295,232 ¹	7,540,599 ¹	7,540,599 ¹	7,295,732 ¹	0	7,375,232 ¹
2. Capital expenses for private school children (ESEA I section 1120(e)).....							
	D	41,119	41,119	41,119	41,119	0	41,119
3. Even start (ESEA I-B).....							
	D	101,992	108,000	108,000	108,000	0	124,000
4. State agency programs:							
(a) Migrant (ESEA I-C).....	D	305,473	319,500	305,473	305,473	0	305,473
(b) Neglected and delinquent (ESEA I-D).....	D	39,311	40,333	39,311	40,333	0	39,311
Subtotal.....		344,784	359,833	344,784	345,806	0	344,784
5. State school improvement (ESEA I-A sections 1116 and 1117).....							
	D	0	8,000	0	0	0	0
6. Evaluation (ESEA I-E section 1501).....							
	D	6,977	10,000	10,000	6,977	0	6,977
7. Comprehensive school reform:							
(a) Demonstrations of innovative practices (section 1502).....							
	D	0	0	140,000	0	0	120,000
(b) Innovative transition projects (section 1503).....							
	D	0	0	10,000	0	0	0
Subtotal.....		0	0	150,000	0	0	120,000
Subtotal, ESEA I.....		7,790,104	8,067,551	8,194,502	7,797,634	0	8,012,112

¹ Includes an advance appropriation of \$1,298,386 thousand in 1997 and in the 1998 House and Senate amounts, and \$1,488,386 thousand in the 1998 Appropriation that becomes available on October 1 of the following fiscal year. The amount shown reflects the program level rather than the total new budget authority available in that fiscal year.

NOV. 10. 1997 7:28PM OFFICE OF SECRETARY NO. 4961 P. 6/26

(In thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
<i>Education for the Disadvantaged (continued)</i>							
8. Migrant education (HEA IV-A-5):							
(a) High school equivalency program.....	D	7,441	7,634	7,634	7,634	7,634	7,634
(b) College assistance migrant program.....	D	2,028	2,081	2,081	2,081	2,081	2,081
Subtotal.....		9,469	9,715	9,715	9,715	9,715	9,715
9. ESEA Title I local educational agency block grant.....	D	0	0	0	0	7,797,634 ¹	0
Total, Program level (non-add)....		7,799,573 ²	8,077,266 ²	8,204,217 ²	7,807,349 ²	7,807,349 ²	8,021,827 ²
Total, Budget Authority.....		7,799,573	8,077,266	8,204,217	7,807,349	7,807,349	7,807,627
Current authority.....		6,501,187	6,778,880	6,905,831	6,508,963	6,508,963	6,573,441
Permanent authority.....		1,298,386 ³	1,298,386 ³	1,298,386 ³	1,298,386 ³	1,298,386 ³	1,298,386 ³
Outlays, current.....		5,186,180	6,165,997	6,168,085	6,148,241	0	6,150,965
Outlays, permanent.....		903,249	1,231,460	1,231,460	1,231,460	0	1,231,460

¹ Of this amount, \$1,298,386 thousand becomes available October 1 of fiscal year 1999. In addition to the ESEA Title I block grant, the Senate provided that all or a portion of the funds initially appropriated under other accounts to support programs for K-12 students be included in a single block grant, which totals \$5,638,570 thousand. The two block grants total \$13,436,204 thousand.

² Includes an advance appropriation of \$1,298,386 thousand in 1997 and in the 1998 House and Senate amounts, and \$1,440,386 thousand in the 1998 Appropriation that becomes available on October 1 of the following fiscal year. The amount shown reflects the program level rather than the total new budget authority available in that fiscal year.

³ Reflects an advance appropriation that was included in the prior year's appropriations act and which becomes available on October 1 of the fiscal year shown. The advance appropriation is scored as permanent budget authority in the year of availability.

(in thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appco.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appco.
					Initial Amount	Amount after Gorton Provision	
Impact Aid (ESBA VIII)							
1. Payments for federally connected children (section 8003):							
(a) Basic support payments (section 8003(b)).....	D	615,500	584,000	667,000	623,500	623,500	662,000
(b) Payments for children with disabilities (section 8003(d)).....	D	40,000	40,000	40,000	80,000	80,000	50,000
(c) Payments for heavily impacted districts (section 8003(f)).....	D	52,000	20,000	62,000	52,000	52,000	62,000
Subtotal.....		707,500	644,000	769,000	755,500	755,500	774,000
2. Facilities maintenance (section 8008).....	D	0	10,000	0	10,000	10,000	3,000
3. Construction (section 8007).....	D	5,000	4,000	7,000	5,000	5,000	7,000
4. Payments for Federal property (section 8002).....	D	17,500	0	20,000	24,000	24,000	24,000
Total.....		730,000	658,000	796,000	794,500	794,500	808,000
Outlays.....		900,957	700,995	791,924	783,494	0	799,604
School Construction							
1. School construction (proposed legislation).....	M	0	5,000,000	0	0	0	0
Total.....		0	5,000,000	0	0	0	0
Outlays.....		0	1,250,000	0	0	0	0

NOV. 10. 1997 7:29PM OFFICE OF SECRETARY

NO. 4961 P. 8/26

(in thousands of dollars)

Office, Account, Program and Activity	D M	1997	1998	1998	1998 Senate Floor		1998 Appro.
		Enacted Appro.	President's Budget	House Floor	Initial Amount	Amount after Gorton Provision	
School Improvement Programs							
1. Professional development and program innovation:							
(a) Eisenhower professional development State grants (ESEA II-B).....	D	310,000	360,000	310,000	310,000	0	335,000
(b) Innovative education program strategies State grants (ESEA VI-A).....	D	310,000	0	350,000	310,000	0	350,000
Subtotal.....		620,000	360,000	660,000	620,000	0	685,000
2. Safe and drug-free schools and communities:							
(a) State grants (ESEA IV-A Subpart 1).....	D	530,978 ¹	590,000	531,000	555,978	0	531,000
(b) National programs (ESEA IV-A Subpart 2).....	D	25,000 ¹	30,000	25,000	0	0	25,000
Subtotal.....		555,978	620,000	556,000	555,978	0	556,000
3. Inexpensive book distribution (ESEA X-E).....	D	10,265	12,000	12,000	12,000	0	12,000
4. Arts in education (ESEA X-D-1).....	D	9,000	9,500	9,500	10,500	0	10,500
5. Magnet schools assistance (ESEA V-A).....	D	95,000	95,000	105,000	95,000	0	101,000
6. Education for homeless children and youth (SEMHA Title VII-B).....	D	25,000	27,000	27,000	28,800	0	28,800
7. Women's educational equity (ESEA V-B).....	D	2,000	4,000	2,000	4,000	0	3,000
8. Training and advisory services (CRA IV).....	D	7,334	14,334	7,334	7,334	0	7,334
9. Ellender fellowships (ESEA X-G).....	D	1,500	0	1,500	1,500	0	1,500
10. Education for Native Hawaiians (ESEA IX-B).....	D	15,000	15,000	0	20,000	0	18,000
11. Alaska Native education equity (ESEA IX-C).....	D	8,000	8,000	0	10,640	0	8,000
12. Charter schools (ESEA X-C).....	D	50,987	100,000	100,000	50,987	0	80,000
13. Comprehensive regional assistance centers (ESEA XIII-A)	D	25,554	34,388	27,054	25,554	0	27,054
14. Education infrastructure (ESEA XII).....	D	0	0	0	100,000 ²	0	0
15. Portion applied to local educational agency block grant	D	0	0	0	0	1,542,293 ³	0
Total		1,425,818	1,299,222	1,507,388	1,542,293	1,542,293	1,538,168
Outlays		1,335,705	1,363,972	1,374,381	1,376,127	0	1,375,921

¹ Reflects a reprogramming of \$25,000 thousand from State Grants to National Programs.

² Of this amount, \$60,000 thousand is to be derived from unobligated balances from the Pell Grants program under the Student Financial Assistance account.

³ Reflects this account's share of a local educational agency (LEA) block grant, which totals \$5,636,570 thousand: \$5,378,570 thousand in fiscal year 1998 and \$260,000 thousand in fiscal year 1999. In addition, the Senate provided that all ESEA Title I funds be included in a separate block grant to LEAs, totalling \$7,797,634 thousand, of which \$1,298,386 thousand becomes available on October 1 of fiscal year 1999. The two block grants total \$13,436,204 thousand.

(in thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
Child Literacy Initiative							
1. Child Literacy Initiative (proposed legislation).....	D	0	260,000	260,000	260,000	0	210,000
2. Portion applied to local educational agency block grant	D	0	0	0	0	260,000	0
Total		0	260,000	260,000	260,000	260,000	210,000
Outlays.....		0	13,000	13,000	13,000	0	10,500

- ¹ Funds are provided on an advance basis to become available on October 1 of fiscal year 1999, if specifically authorized by April 1, 1998.
- ² If the reading initiative is not authorized by April 1, 1998, the funds shall be transferred to the Special Education account to be available on July 1, 1999, for the same purposes as that account.
- ³ Reflects this account's share of a local educational agency (LEA) block grant, which totals \$5,638,570 thousand: \$5,378,570 thousand in fiscal year 1998 and \$260,000 thousand in fiscal year 1999. In addition, the Senate provided that all ESEA Title I funds be included in a separate block grant to LEAs, totalling \$7,797,634 thousand, of which \$1,298,386 thousand becomes available on October 1 of fiscal year 1999. The two block grants total \$13,436,204 thousand.
- ⁴ Funds are provided on an advance basis to become available on October 1 of fiscal year 1999, if specifically authorized by July 1, 1998. The advance appropriation is scored as permanent budget authority in fiscal year 1999 and is not reflected in the totals for the Department.

NOTE: Funds were initially requested in 1998 for the proposed America Reads Challenge initiative and were classified as mandatory; however, the 1998-2002 budget agreement between the President and Congress reclassified those funds as discretionary.

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(In thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appra.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appra.
					Initial Amount	Amount after Gorton Provision	
Indian Education							
1. Grants to local educational agencies (ESEA IX-A-1).....	D	58,050	59,750	59,750	59,750	0	59,750
2. Federal administration:							
(a) Office of Indian Education (DEOA section 215).....	D	2,943	2,800	2,800	2,800	2,800	2,800
(b) National advisory council (ESEA IX-A-5).....	D	0	50	50	50	50	50
Subtotal.....		2,943	2,850	2,850	2,850	2,850	2,850
3. Portion applied to local educational agency block grant.	D	0	0	0	0	59,750 ¹	0
Total.....		60,993	62,600	62,600	62,600	62,600	62,600
Outlays.....		67,471	60,709	60,709	60,709	0	60,709
TOTAL, OESE.....		10,016,184	15,357,088	10,570,205	10,206,742	10,206,742	10,280,615
Total, discretionary.....	D	10,016,184	10,357,088	10,570,205	10,206,742	10,206,742	10,280,615
Total, mandatory.....	M	0	5,000,000	0	0	0	0

¹ Reflects this account's share of a local educational agency (LEA) block grant, which totals \$5,638,570 thousand: \$5,378,570 thousand in fiscal year 1998 and \$260,000 thousand in fiscal year 1999. In addition, the Senate provided that all ESEA Title I funds be included in a separate block grant to LEAs, totalling \$7,797,634 thousand, of which \$1,298,386 thousand becomes available on October 1 of fiscal year 1999. The two block grants total \$13,436,204 thousand.

NOTE: Prior to fiscal year 1998, funds for Indian Education were provided in the Department of the Interior and Related Agencies Appropriations Acts.

(in thousands of dollars) Office, Account, Program and Activity	D Enacted Appra.	1997	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appra.
					Initial Amount	Amount after Gorton Provision	
OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS (OBEMLA)							
Bilingual and Immigrant Education							
1. Bilingual education (ESEA VII-A):							
(a) Instructional services (subpart 1).....	D	141,700 ¹	160,000	160,000	160,000	0	160,000
(b) Support services (subpart 2).....	D	10,000	14,000	14,000	14,000	0	14,000
(c) Professional development (subpart 3).....	D	5,000	25,000	25,000	25,000	0	25,000
Subtotal.....		156,700	199,000	199,000	199,000	0	199,000
2. Foreign language assistance (ESEA VII-B).....	D	5,000	5,000	5,000	5,000	0	5,000
3. Immigrant education (ESEA VII-C).....	D	100,000	150,000	150,000	150,000	0	150,000
4. Portion applied to local educational agency block grant.....	D	0	0	0	0	354,000 ²	0
Total.....		261,700	354,000	354,000	354,000	354,000	354,000
Outlays.....		225,430	276,822	276,822	276,822	0	276,822
TOTAL, OBEMLA.....		261,700	354,000	354,000	354,000	354,000	354,000

¹ Reflects a reprogramming of \$15,000 thousand from funds provided for Instructional Services: \$10,000 thousand to Support Services and \$5,000 thousand to Professional Development.

² Reflects this account's share of a local educational agency (LEA) block grant, which totals \$5,638,570 thousand: \$5,378,570 thousand in fiscal year 1998 and \$260,000 thousand in fiscal year 1999. In addition, the Senate provided that all ESEA Title I funds be included in a separate block grant to LEAs, totalling \$7,797,634 thousand, of which \$1,298,386 thousand becomes available on October 1 of fiscal year 1999. The two block grants total \$13,436,204 thousand.

(In thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES (OSERS)							
Special Education (IDEA)							
1. State grants:							
(a) Grants to States (Part B-611).....	D	3,107,522	3,240,750	3,425,911	3,941,837	3,941,837	3,801,000
(b) Preschool grants (Part B-619).....	D	360,409	374,825	388,985	378,985	378,985	373,985
(c) Grants for infants and families (Part C).....	D	315,754	323,964	340,790	350,790	350,790	350,000
(d) Evaluation (section 674).....	D	1,873	8,000	8,000	8,000	8,000	6,700
Subtotal, State grants.....		3,785,558	3,947,539	4,163,686	4,679,612	4,679,612	4,531,685
2. National activities (Part D):							
(a) State improvement (Subpart 1).....	D	26,988	35,200	35,200	35,200	35,200	35,200
(b) Research and innovation (section 672).....	D	62,803	64,508	64,508	64,508	64,508	64,508
(c) Technical assistance and dissemination (section 685).....	D	34,337	35,056	35,056	44,556	44,556	44,556
(d) Personnel preparation (section 673).....	D	80,735	82,139	82,139	82,139	82,139	82,139
(e) Parent information centers (sections 682-684).....	D	15,535	15,535	15,535	18,535	18,535	18,535
(f) Technology and media services (section 687).....	D	30,023	30,023	32,523	33,523	33,523	34,023
Subtotal.....		250,421	262,461	264,961	278,461	278,461	278,961
Total.....		4,035,979	4,210,000	4,428,647	4,958,073	4,958,073	4,810,646
Outlays.....		3,347,637	3,764,330	3,777,266	3,803,738	0	3,796,366

NOTE: Activities and amounts for 1997 and the 1998 President's Budget have been adjusted to reflect the reauthorized Individuals with Disabilities Education Act (Public Law 105-17) enacted June 4, 1997.

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(In thousands of dollars)

Office, Account, Program and Activity	O M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
Rehabilitation Services and Disability Research							
1. Vocational rehabilitation State grants:							
(a) Grants to States (RA I-A and sections 110 and 111..)	M	2,164,038	2,234,528	2,234,528	2,234,528	946,489	2,234,528
(b) Grants for Indians (RA I-D).....	M	12,000	12,360	12,360	12,360	4,756	12,360
Subtotal.....		2,176,038	2,246,888	2,246,888	2,246,888	951,245	2,246,888
2. Client assistance State grants (RA section 112).....	M	10,392	10,714	10,714	10,714	10,714	10,714
3. Training (RA sections 302 and 803).....	M	39,629	39,629	39,629	39,629	39,629	39,629
4. Special demonstration programs (RA sections 311 and 802).....	M	18,942	16,942	15,942	20,836	20,836	15,942
5. Migratory workers (RA section 312).....	M	1,850	2,350	2,350	2,350	2,350	2,350
6. Recreational programs (RA section 316).....	M	2,596	2,596	2,596	2,596	2,596	2,596
7. Protection and advocacy of individual rights (RA section 509).....	M	7,657	7,894	9,894	7,894	7,894	9,894
8. Projects with industry (RA VI-B).....	M	22,071	22,071	22,071	22,071	22,071	22,071
9. Supported employment State grants (RA VI-C).....	M	38,152	38,152	38,152	38,152	38,152	38,152
10. Independent living (RA VII):							
(a) State grants (Chapter 1, Part B).....	M	21,859	21,859	21,859	21,859	21,859	21,859
(b) Centers (Chapter 1, Part C).....	M	42,876	44,205	44,205	46,205	46,205	45,205
(c) Services for older blind individuals (Chapter 2)...	M	9,952	9,952	9,952	11,947	11,947	10,950
11. Program improvement (RA section 12).....	M	2,391	3,900	2,900	3,900	3,900	2,900
12. Evaluation (RA section 14).....	M	1,587	1,587	1,587	1,587	1,587	1,587
13. Helen Keller National Center for Deaf-Blind Youths and Adults (HKNCA).....	M	7,337	7,528	7,528	7,549	7,549	7,549
14. National Institute on Disability and Rehabilitation Research (RA II).....	M	69,990	71,000	76,800	71,000	71,000	76,800
15. Assistive technology (TRAIDA).....	M	36,109	36,109	36,109	36,109	36,109	36,109
16. Portion applied to local educational agency block grant	D	0	0	0	0	1,295,643 ¹	0
Total.....	M	2,509,428	2,583,376	2,583,376	2,591,266	2,591,286	2,591,195
Total, discretionary.....	D	0	0	5,800	7,910	7,910	0
Total, mandatory baseline.....	M	2,509,428	2,583,376	2,583,376	2,583,376	2,583,376	2,591,195
Outlays, discretionary.....		0	0	4,060	5,537	0	0
Outlays, mandatory baseline		2,663,097	2,514,102	2,514,102	2,514,102	0	2,519,577

¹ Reflects this account's share of a local educational agency (LEA) block grant, which totals \$5,638,570 thousand: \$5,378,570 thousand in fiscal year 1998 and \$260,000 thousand in fiscal year 1999. In addition, the Senate provided that all ESEA Title I funds be included in a separate block grant to LEAs, totalling \$7,797,634 thousand, of which \$1,298,386 thousand becomes available on October 1 of fiscal year 1999. The two block grants total \$13,436,204 thousand.

NOTE: Funds in this account are classified as mandatory under the rules specified in the Budget Enforcement Act of 1990. When the total for the account is different from the mandatory baseline total, the difference is scored as discretionary and is applied to the Department's discretionary total.

(in thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
<u>American Printing House for the Blind</u> <u>(20 U.S.C. 101 et seq.)</u>	D	6,690	6,690	8,186	7,906	7,906	8,186
Outlays.....		8,771	6,680	8,096	7,832	0	7,795
<u>National Technical Institute for the Deaf</u> <u>(EDA I-B, and sections 112 and 207)</u>	D	43,041	43,041	43,841	44,141	44,141	44,141
Outlays.....		40,459	43,045	43,797	44,079	0	44,075
<u>Ballardet University (EDA I-A and section 207)</u>	D	79,182	79,182	80,682	81,000	81,000	81,000
Outlays.....		75,879	79,256	80,666	80,965	0	81,391
TOTAL, OSERS.....		6,674,310	6,922,279	7,150,532	7,682,406	7,682,406	7,535,168
Total, discretionary.....	D	4,164,882	4,338,903	4,567,156	5,099,030	5,099,030	4,943,973
Total, mandatory.....	M	2,509,428	2,583,376	2,583,376	2,583,376	2,583,376	2,591,195

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(In thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
OFFICE OF VOCATIONAL AND ADULT EDUCATION (OVAE)							
Vocational and Adult Education							
1. Vocational education State grants:							
(a) Basic grants (Carl D. Perkins VATEA):							
(1) Basic State grants (Title II).....	D	998,056	1,025,461	1,017,716	998,056	340,508	1,009,852
(2) Territorial set-aside (section 101A).....	D	2,058	2,128	2,098	2,058	702	2,082
(3) Indian and Hawaiian natives set-aside (section 103).....	D	15,436	15,961	15,736	15,436	5,266	15,616
Subtotal.....		1,015,550	1,043,550	1,035,550	1,015,550	346,476	1,027,550
(b) Tech-prep education (VATEA III-E).....	D	100,000	105,000	105,000	100,000	34,117	103,000
Subtotal, State grants.....		1,115,550	1,148,550	1,140,550	1,115,550	380,593	1,130,550
2. Vocational education national programs (VATEA IV-A).....	D	13,497	20,497	13,497	13,497	4,605	13,497
3. Tribally controlled postsecondary vocational institutions (VATEA III-H).....	D	2,919	2,919	3,100	3,100	3,100	3,100
4. Portion applied to local educational agency block grant.	D	0	0	0	0	743,849	0
Subtotal, annual.....		1,131,966	1,171,966	1,157,147	1,132,147	1,132,147	1,147,147
5. Permanent appropriation (Smith-Hughes Act):							
(a) Basic grants.....	M	6,848	0	0	0	0	0
(b) Territorial set-aside.....	M	14	0	0	0	0	0
(c) Indian and Hawaiian natives set-aside.....	M	107	0	0	0	0	0
(d) Research.....	M	179	0	0	0	0	0
Subtotal, permanent.....		7,148	0	0	0	0	0
Subtotal, vocational education.		1,139,114	1,171,966	1,157,147	1,132,147	1,132,147	1,147,147

¹ Reflects this account's share of a local educational agency (LEA) block grant, which totals \$5,638,570 thousand: \$5,378,570 thousand in fiscal year 1998 and \$260,000 thousand in fiscal year 1999. In addition, the Senate provided that all ESEA Title I funds be included in a separate block grant to LEAs, totalling \$7,797,634 thousand, of which \$1,298,386 thousand becomes available on October 1 of fiscal year 1999. The two block grants total \$13,436,204 thousand.

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(In thousands of dollars)					1998 Senate Floor			
Office, Account, Program and Activity		D \ M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	Initial Amount	Amount after Gorton Provision	1998 Appro.
<i>Vocational and Adult Education (continued)</i>								
6. Adult education State grants (AEA B).....	D	340,339	382,000	340,339	340,339	340,339	340,339	345,339
7. Evaluation and technical assistance (AEA section 383)...	D	4,998	6,000	4,998	4,998	4,998	4,998	4,998
8. National Institute for Literacy (AEA section 384(c))....	D	4,491	6,000	4,491	5,491 ¹	5,491 ¹	5,491 ¹	5,491
9. Literacy programs for prisoners (National Literacy Act section 601).....	D	4,723	0	0	4,723	4,723	4,723	4,723
Subtotal, Adult education.....		354,551	394,000	349,828	355,551	355,551	355,551	360,551
Subtotal, annual.....		1,486,517	1,565,966	1,506,975	1,487,698	1,487,698	1,487,698	1,507,698
Subtotal, permanent.....		7,148	0	0	0	0	0	0
Total.....		1,493,665	1,565,966	1,506,975	1,487,698	1,487,698	1,487,698	1,507,698
TOTAL, OVAE.....		1,493,665	1,565,966	1,506,975	1,487,698	1,487,698	1,487,698	1,507,698
Total, discretionary.....	D	1,486,517	1,565,966	1,506,975	1,487,698	1,487,698	1,487,698	1,507,698
Total, mandatory.....	M	7,148	0	0	0	0	0	0
Outlays, discretionary.....		1,291,091	1,448,551	1,445,601	1,444,637	0	0	1,445,878
Outlays, mandatory.....		6,978	6,790	6,790	6,790	0	0	6,790

¹ Of this amount, \$1,000 thousand is to be derived from unobligated balances from the Pell Grants program under the Student Financial Assistance account.

(in thousands of dollars)

Office, Account, Program and Activity	D Enacted M Appro.	1997 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.	
				Initial Amount	Amount after Gorton Provision		
OFFICE OF POSTSECONDARY EDUCATION (OPE)							
Student Financial Assistance							
1. Federal Pell grants (HEA IV-A-1).....	D	5,919,000	7,635,000	7,438,000	6,910,334	6,910,334	7,344,934
Prior-year surplus used for Pell Grants (non-add)....	D	394,000 ¹	96,250 ¹	0 ²	250	250	96,250
Subtotal, resources available (non-add)		6,313,000	7,731,250	7,438,000	6,910,584	6,910,584	7,441,184
Maximum award (in whole dollars).....		2,700	3,000	3,000	3,000	3,000	3,000
Program costs (non-add).....		6,313,000	7,889,000	7,154,000	7,154,000	7,154,000	7,441,184
Funding shortfall/excess (non-add).....		0	(157,750)	284,000	(243,416)	(243,416)	0
Prior-year surplus used for other programs.....		0	0	0	(96,000) ³	(96,000) ³	0
Subtotal, new budget authority.....		5,919,000	7,635,000	7,438,000	6,814,334 ³	6,814,334 ³	7,344,934
2. Campus-based programs:							
(a) Federal supplemental educational opportunity grants (HEA IV-A-3).....	D	583,407	583,407	583,407	634,407	634,407	614,000
(b) Federal work-study (HEA IV-C).....	D	830,000	857,000	860,000	830,000	830,000	830,000
(c) Federal Perkins loans (HEA IV-E):							
(1) Capital contributions.....	D	158,000	158,000	135,000	158,000	158,000	135,000
(2) Loan cancellations.....	D	20,000	30,000	30,000	23,900	23,900	30,000
Subtotal.....		178,000	188,000	165,000	181,900	181,900	165,000
Subtotal, campus-based programs		1,591,407	1,628,407	1,608,407	1,646,307	1,646,307	1,609,000
3. State student incentive grants (HEA IV-A-4).....	D	50,000	0	0	35,000 ⁴	35,000 ⁴	25,000
Total		7,560,407	9,263,407	9,046,407	8,495,641	8,495,641	8,978,934
Outlays.....		7,698,923	8,250,118	8,227,426	8,232,726	0	8,163,670

¹ The amount shown reflects the estimate prepared for Mid-Session Review of the Budget (September 1997); the original estimated surplus used was \$171,304 thousand.

² An additional \$96,250 thousand in prior-year surplus is available.

³ The Senate-passed bill requires that \$96,000 thousand in Pell Grants unobligated balances be used for State Student Incentive Grants (\$35,000 thousand); Education Infrastructure (\$60,000 thousand), under the School Improvement Programs account; and the National Institute for Literacy (\$1,000 thousand), under the Vocational and Adult Education account. This use of prior-year balances for purposes other than Pell Grants is counted as a reduction in new budget authority in the year of enactment.

⁴ This amount is to be derived from unobligated balances.

(in thousands of dollars)

Office, Account, Program and Activity	D \ M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
Federal Family Education Loans (Liquidating)							
1. Family education loans (HEA IV-B) (permanent authority).	M	0	0	0	0	0	0
Total, FFEL (Liquidating) (permanent authority)		0	0	0	0	0	0
Outlays.....		71,956	(435,101)	(435,101)	(435,101)	0	(435,101)
Federal Family Education Loan Program Account							
1. New loan subsidies (HEA IV-B) (permanent authority)....	M	3,171,260	3,136,317	3,136,317	3,136,317	3,136,317	3,136,317
2. Reestimate of existing loans.....	M	98,058	0	0	0	0	0
Subtotal.....		3,269,318	3,136,317	3,136,317	3,136,317	3,136,317	3,136,317
3. Federal administration (FCRA section 505(e)).....	D	46,482	47,688	47,688	46,482	46,482	46,482
Total, FFEL Program		3,315,800	3,184,005	3,184,005	3,182,799	3,182,799	3,182,799
Outlays, discretionary.....		41,264	45,812	46,069	45,491	0	45,491
Outlays, mandatory.....		2,883,558	2,832,142	2,832,142	2,832,142	0	2,832,142
Total, FFEL		3,315,800	3,184,005	3,184,005	3,182,799	3,182,799	3,182,799
Total, discretionary.....	D	46,482	47,688	47,688	46,482	46,482	46,482
Total, mandatory.....	M	3,269,318	3,136,317	3,136,317	3,136,317	3,136,317	3,136,317
Federal Direct Student Loan Program Account (HEA IV-D)							
1. New loan subsidies (section 451) (permanent authority)..	M	372,694	473,416	473,416	473,416	473,416	508,416
2. Reestimate of existing loans.....	M	(81,029)	0	0	0	0	0
Subtotal.....		291,665	473,416	473,416	473,416	473,416	508,416
3. Federal administration (section 458):							
(a) Federal administration (permanent authority).....	M	491,000	532,000	532,000	532,000	532,000	750,000
(b) Payments for services to guaranty agencies (non-add)	M	150,419	170,000	170,000	170,000	170,000	170,000
Total		782,665	1,005,416	1,005,416	1,005,416	1,005,416	1,258,416
Outlays, Total.....		623,310	910,236	910,236	910,236	0	910,236
Outlays, loan subsidies.....		205,946	411,025	411,025	411,025	0	411,025
Outlays, Federal administration		417,364	499,211	499,211	499,211	0	499,211

NOTE: Mandatory amounts for 1997 and the 1998 President's Budget reflect policy estimates prepared for Mid-Session Review of the Budget (September 1997).

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(in thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
Higher Education							
1. Aid for institutional development (HEA III):							
(a) Strengthening institutions (Part A).....	D	55,450	55,450	55,450	55,450	55,450	55,450
(b) Hispanic-serving institutions (Part A section 316)..	D	10,800	12,000	12,000	12,000	12,000	12,000
(c) Strengthening HBCUs (Part B section 323).....	D	108,990	113,000	120,000	108,990	108,990	118,495
(d) Strengthening historically black graduate institutions (Part B section 326).....	D	19,606	19,606	25,000	19,606	19,606	25,000
(e) Endowment challenge grants HBCU set-aside (Part C section 331).....	D	0	2,015	0	0	0	0
Subtotal, Title III.....		194,846	202,071	212,450	196,046	196,046	210,945
2. Program development:							
(a) Fund for the Improvement of Postsecondary Education (HEA X-A).....	D	18,000	18,000	18,000	30,000	30,000	25,200
(b) Minority teacher recruitment (HEA V-E-2).....	D	2,212	3,727	2,500	2,212	2,212	2,212
(c) Minority science improvement (HEA X-B-1).....	D	5,255	5,255	5,255	5,255	5,255	5,255
(d) International education and foreign language studies:							
(1) Domestic programs (HEA VI-A and B).....	D	53,481	53,481	54,481	53,481	53,481	53,581
(2) Overseas programs (Fulbright-Hays Act [section 102(b)(6)].....	D	5,270	5,770	5,770	5,870	5,870	5,770
(3) Institute for International Public Policy (HEA VI-C).....	D	1,000	1,000	0	1,000	1,000	1,000
Subtotal.....		59,751	60,251	60,251	60,351	60,351	60,351
(e) Urban community service (HEA XI-A).....	D	9,200	0	0	4,900	4,900	4,900
3. Interest subsidy grants (HEA VII section 702).....	D	15,673	13,700	13,700	13,700	13,700	13,700
4. Mary McLeod Bethune Memorial Fine Arts Center (Pub.L. 102-423).....	D	1,400	0	6,620	1,400	1,400	6,620
5. Edmund S. Muskie Foundation (Human Rights, Refugee, and Other For. Rel. Prov. Act, section 501).....	D	3,000	0	0	0	0	0
6. Calvin Coolidge Memorial Foundation (Human Rights, Refugee and Other For. Rel. Prov. Act, section 502). D	D	1,000	0	0	0	0	0
7. Claiborne Pell Institute for International Relations and Public Policy (Claiborne Pell IIRPP Act).....	D	3,000	0	0	0	0	0

(in thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
<i>Higher Education (continued)</i>							
0. Aid to students:							
(a) Federal TRIO programs (HEA IV-A-2, Chapter 1).....	D	499,994	525,000	532,000	525,000	525,000	529,667
(b) Advanced placement fees (P.L. 102-325, XV-G).....	D	0	6,000	0	3,000	3,000	3,000
(c) National early intervention scholarships and partnerships (HEA IV-A-2, Chapter 2).....	D	3,600	0	0	3,600	3,600	3,600
(d) Byrd honors scholarships (HEA IV-A-6).....	D	29,117	39,280	29,117	39,280	39,280	39,280
(e) Presidential honors scholarships (proposed legislation).....	D	0	132,000	0	0	0	0
(f) George Bush fellowships (George Bush School of Government and Public Services Act).....	D	3,000	0	0	0	0	0
(g) Javits fellowships (HEA IX-C).....	D	5,931	0	0	0	0	0
(h) Graduate assistance in areas of national need (HEA IX-D).....	D	24,069 ¹	30,000 ²	30,000 ²	30,000 ³	30,000 ³	30,000 ³
9. State grants for incarcerated youth offenders (HEA X-E)	D	0	0	0	15,000	15,000	12,000
TOTAL.....		679,018	1,035,292	909,893	929,752	929,752	946,738
Outlays.....		880,188	896,569	881,520	883,903	0	885,942

¹ Funds provided for Graduate Assistance in Areas of National Need also are available for Harris Fellowships noncompeting continuation awards for academic year 1997-98. \$4,118 thousand was used for Harris Fellowships.

² Funds provided for Graduate Assistance in Areas of National Need also are available for Javits Fellowships noncompeting continuation awards for academic year 1998-99. \$4,284 thousand will be used for Javits Fellowships.

³ Includes \$5,931 thousand provided for Javits Fellowships noncompeting continuation awards and new awards.

(In thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
Howard University							
1. Howard University Hospital (20 U.S.C. 128).....	D	29,489	29,489	29,489	29,489	29,489	29,489
2. General support (20 U.S.C. 121 et seq. and PL 98-480)...	D	166,511	166,511 ¹	180,511	168,511 ¹	168,511 ¹	180,511
Total		196,000	196,000	210,000	198,000	198,000	210,000
Outlays.....		192,997	196,000	209,160	197,880	0	209,160
Higher Education Facilities Loans (HEA VII-C) (Liquidating)							
Outlays.....	M	(4,300) ²	(4,000) ²	(4,000) ²	(4,000) ²	(4,000) ²	(4,000) ²
Outlays.....		(4,300)	(4,164)	(4,164)	(4,164)	0	(4,164)
College Housing and Academic Facilities Loans (Liquidating)							
1. Interest subsidy payments (HEA VII-C) (permanent authority).....	M	3,000	3,000	3,000	3,000	3,000	3,000
Total, CHAFL (Liquidating)		3,000	3,000	3,000	3,000	3,000	3,000
Outlays.....		6,831	3,995	3,995	3,995	0	3,995
College Housing and Academic Facilities Loans Program							
1. Federal administration (FCRA section 505(e)).....	D	698	1,069	698	698	698	698
Total, CHAFL program		698	1,069	698	698	698	698
Outlays, Total.....		1,738	1,372	1,148	1,148	0	1,193
Outlays, loan subsidies.....		1,034	444	444	444	0	444
Outlays, Federal administration.....		704	928	704	704	0	749
Total, CHAFL		3,698	4,069	3,698	3,698	3,698	3,698
College Housing Loans (HEA VII-C) (Liquidating)							
Outlays.....	M	(31,906) ²	(32,000) ²	(32,000) ²	(32,000) ²	(32,000) ²	(32,000) ²
Outlays.....		(31,906)	(32,028)	(32,028)	(32,028)	0	(32,028)

¹ At least \$3,530 thousand must be allocated for the Howard University endowment program.

² No loan authority.

(in thousands of dollars)

Office, Account, Program and Activity	D \ M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
Historically Black College and University Capital Financing Program Account (HRA-VTF-B)							
1. Federal administration (FCRA section 505(e)).....	D	104	104	104	104	104	104
Total		104	104	104	104	104	104
Outlays		162	110	110	110	0	110
TOTAL, OPE		12,704,222	14,653,293	14,324,523	13,780,410	13,780,410	14,545,689
Total, discretionary.....	D	8,682,739	10,543,560	10,214,790	9,670,677	9,670,677	10,182,956
Total, mandatory.....	M	4,021,483	4,109,733	4,109,733	4,109,733	4,109,733	4,362,733

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(in thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)							
Education Research, Statistics, and Improvement							
1. Research, development and dissemination (ERDDIA):							
(a) National education research institutes (Part C)....	D	54,000	62,250	62,250	54,000	54,000	53,782
(b) Regional educational laboratories (Section 941(h))..	D	51,000	53,500	57,000	53,500	53,500	56,000
(c) National dissemination activities (Section 941(a)-(g) and Part E).....	D	18,567	18,785	18,785	18,567	18,567	18,785
Subtotal.....		123,567	134,535	138,035	126,067	126,067	128,567
2. Statistics (NESA).....	D	50,000	66,250	66,250	52,000	52,000	59,000
3. Assessment:							
(a) National assessment (NESA section 411).....	D	29,752	35,502 ¹	35,502	29,752	29,752	32,000
(b) National Assessment Governing Board (NESA section 412).....	D	2,865	2,871	2,865	2,871	2,871	3,471
Subtotal.....		32,617	38,373	38,367	32,623	32,623	35,471
4. Eisenhower professional development Federal activities (ESEA II-A).....	D	13,342	30,000	21,000	25,000	25,000	23,300
5. Educational technology (ESEA III):							
(a) Technology for education (Part A):							
(1) Technology innovation challenge grants (section 3136).....	D	56,965	75,000	75,000	0	0	0
(2) Regional technology in education consortia (section 3141).....	D	10,000	10,000	10,000	0	0	0
Subtotal.....		66,965 ²	85,000	85,000	0 ³	0 ³	0 ³
(b) Star schools (Part B).....	D	30,000	26,000	0	30,000	0	0 ³
(c) Ready to learn television (Part C).....	D	7,000	7,000	0	7,000	0	0 ³
(d) Telecommunications demonstration project for mathematics (Part D).....	D	1,035	2,035	0	2,035	0	0 ³
Subtotal.....		105,000	120,035	85,000	39,035	0	0

¹ Includes \$5,000 thousand for the assessment and reporting of reading performance, as part of the President's proposed America Reads Challenge initiative.

² Adjusted for comparability. Excludes \$200,000 thousand in 1997 for the Technology Literacy Challenge Fund, requested in 1998 in the Education Reform account.

³ Funds were provided under the Education Reform account.

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(In thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appco.	1998 President's Budget	1998 House floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
<u>Education Research, Statistics, and Improvement (continued)</u>							
6. Fund for the Improvement of Education (ESEA X-A).....	D	40,000	40,000	80,000	50,000	0	108,100
7. Javits gifted and talented education (ESEA X-B).....	D	5,000	7,000	6,000	7,000	0	6,500
8. Eisenhower regional mathematics and science education consortia (ESEA XIII-C).....	D	15,000	15,000	15,000	15,000	0	15,000
9. Learning centers (ESEA X-I):							
(a) 21st Century community learning centers.....	D	1,000	0	50,000	1,000	0	40,000
(b) After-school learning centers.....	D	0	50,000	0	0	0	0
Subtotal.....		1,000	50,000	50,000	1,000	0	40,000
10. National writing project (ESEA X-K).....	D	3,100	0	3,100	5,000	5,000	5,000
11. Civic education (ESEA section 10601).....	D	4,500	4,500	5,500	4,500	4,500	5,500
12. International education exchange (Goals 2000 EAA title VI).....	D	5,000	5,000	0	5,000	5,000	5,000
13. Portion applied to local educational agency block grant	D	0	0	0	0	112,035 ¹	0
Total.....		198,126	510,693	508,252	362,225	362,225	431,438
Outlays, Research.....		412,858	551,147	551,670	525,198	0	537,172
TOTAL, OERI.....		398,126	510,693	508,252	362,225	362,225	431,438

¹ Reflects this account's share of a local educational agency (LEA) block grant, which totals \$5,638,570 thousand: \$5,378,570 thousand in fiscal year 1998 and \$260,000 thousand in fiscal year 1999. In addition, the Senate provided that all ESEA Title I funds be included in a separate block grant to LEAs, totalling \$7,797,634 thousand, of which \$1,298,386 thousand becomes available on October 1 of fiscal year 1999. The two block grants total \$13,436,204 thousand.

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NO. 4961 P. 25/26

(In thousands of dollars)

Office, Account, Program and Activity	D M	1997 Enacted Appro.	1998 President's Budget	1998 House Floor	1998 Senate Floor		1998 Appro.
					Initial Amount	Amount after Gorton Provision	
DEPARTMENTAL MANAGEMENT							
Program Administration (DEOA, section 202).....	D	325,955 ¹	341,039	329,579	340,064	340,064	341,064
Outlays.....		321,503	339,806	331,596	336,629	0	343,586
Office for Civil Rights (DEOA, section 203).....	D	54,900	61,500	55,449	57,522	57,522	61,500
Outlays.....		56,972	59,386	56,681	57,676	0	59,917
Office of the Inspector General (DEOA, section 212).....	D	29,943	32,000	30,242	32,000	32,000	30,242
Outlays.....		30,881	31,358	30,515	31,358	0	30,438
Headquarters Renovation (DEOA, section 202).....	D	0	0	0	0	0	0
Outlays.....		4,900	2,006	2,006	2,006	0	2,006
Total, Departmental Management		410,798	434,539	415,270	429,586	429,586	432,806
Contributions							
Outlays.....	M	0	0	0	0	0	0
		85	23	23	23	0	23
Receipts							
1. Proprietary receipts.....	M	(61,581)	(61,180)	(61,180)	(61,180)	(61,180)	(61,180)
Total		(61,581)	(61,180)	(61,180)	(61,180)	(61,180)	(61,180)
Outlays.....		(61,581)	(61,180)	(61,180)	(61,180)	0	(61,180)
Chicago litigation outlays		4,443	6,034	6,034	6,034	0	6,034
BUDGET AUTHORITY TOTAL, EDUCATION DEPARTMENT							
Budget Authority, Discretionary Funds.....	D	26,311,919	29,349,749	29,158,813	28,880,958	28,880,958	29,408,521
Budget Authority, Mandatory.....	M	6,876,478	11,631,929	6,631,929	6,631,929	6,631,929	6,892,746
OUTLAYS TOTAL, EDUCATION DEPARTMENT		29,763,784	33,230,593	32,054,518	32,043,958	0	32,029,540
Outlays, Discretionary funds.....	D	23,605,756	26,245,778	26,319,703	26,309,143	0	26,289,250
Outlays, Mandatory.....	M	6,158,028	6,984,815	5,734,815	5,734,815	0	5,740,290

¹ Excludes \$262 thousand transferred to the Institute of Museum and Library Services on July 20, 1997, for administrative costs of Library programs.

² Excludes a total of \$136,631 thousand for Library programs, which were transferred to the Institute of Museum and Library Services (IMLS) on July 20, 1997, pursuant to section 214 of the Museum and Library Services Act of 1996: \$262 thousand in the Program Administration account and \$136,369 thousand in the Libraries account.

³ Excludes an advance appropriation of \$1,298,386 thousand under the Education for the Disadvantaged account that becomes available on October 1 of fiscal year 1999.

⁴ Excludes an advance appropriation of \$260,000 thousand for the Child Literacy Initiative that becomes available on October 1 of fiscal year 1999.

⁵ Excludes an advance appropriation of \$210,000 thousand for the Child Literacy Initiative that becomes available on October 1 of fiscal year 1999.

⁶ Excludes an advance appropriation of \$1,448,386 thousand under the Education for the Disadvantaged account that becomes available on October 1 of fiscal year 1999.

NOTE: Amounts for receipts reflect current estimate.

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DRAFT
1998 Education Budget:
An Historic Investment in Educational Opportunity
November 13, 1997

(Draft)
6-25-30
FAX

Now I ask you -- and I ask all our nation's governors; I ask parents, teachers, and citizens all across America -- for a new nonpartisan commitment to education -- because education is a critical national security issue for our future, and politics must stop at the schoolhouse door.

President Clinton, State of the Union Address, February 4, 1997

The President's signature on the Labor-HHS-Education Appropriations Bill today ~~completes an historic investment in education.~~ Along with the education tax cuts enacted in August, ~~this bill~~ takes us an historic step closer toward the President's goal of making sure that every 8-year old can read, every 12-year old can log on to Internet, every 18-year old can go to college, and all Americans can keep on learning throughout their lifetimes. These investments represent the largest increase in education investments in a generation, including the biggest increase in college aid since the GI Bill 50 years ago. The bill being signed today:

- promotes high standards and continued development of national tests; ^{Voluntary}
- increases Pell Grants to \$3,000 -- the largest increase in two decades;
- funds America Reads to help all children read well by age 8;
- brings technology to the classroom;
- expands choice and accountability in public schools. ^{more choice}

He

America's national

HELPING YOUNG CHILDREN GET READY TO LEARN

^{to}
Expansion of Head Start toward 1 Million Children. The bill provides nearly \$4.4 billion for Head Start, continuing on track with the President's commitment to the goal of serving one million children. With this \$374 million increase, Head Start funding will have increased 57% since 1993. The program will serve an estimated 836,000 children in 1998.

RAISING STANDARDS: HELPING STUDENTS MASTER THE BASICS AND ADVANCED SKILLS

⁴
Continue Development of Voluntary National Tests. The bill allows continued development of national tests in 4th grade reading and 8th grade math, based on widely accepted national standards used in the National Assessment of Educational Progress (NAEP). It shifts control over test policies and development to the independent, bipartisan, National Assessment Governing Board (NAGB), as the Administration had proposed. The bill provides \$16 million to support the testing plan, and allows for pilot testing of test items to begin next Fall. The bill also provides for a feasibility study to determine if existing state tests can be linked to the NAEP standards, and to each other.

⁵
Provide Funding for the America Reads Challenge. The bill provides \$301 million in new America Reads funding. This builds on current AmeriCorps tutoring efforts, and more than

800 colleges that have committed to using Federal work-study slots tutoring children who need help in reading.

✓ AmeriCorps and the senior volunteer programs won an increase of \$64 million in the two bills that fund National Service program (\$39 million in the bill being signed today). This will fund more than 3000 AmeriCorps members and senior volunteers who will recruit more than 100,000 volunteer tutors.

✓ State teacher training and family literacy efforts are increased a total of \$47 million, and \$5 million is provided to help provide training for tutors.

✓ \$210 million for pending legislation based on the President's America Reads initiative. The House version of that legislation -- promoting tutoring, family literacy, and teacher training-- passed the House with the Administration's support on November 8.

E. S. G.
⁵
Bring Technology to the Classroom. The technology education programs -- which were protected in the Balanced Budget Agreement -- received a **91 percent increase**, from \$305 million to \$545 million. These programs are designed to facilitate school access to the Internet and equip teachers with skills needed to integrate computers into their classroom instruction.

6/22/97
Revised
More Choice and Accountability in Public Schools. President Clinton's public charter schools program received a **57 percent increase**, from \$51 million to \$80 million. This program provides start-up funding for public schools that parents, teachers, and communities create -- and that States free from most rules and regulations and instead holds them accountable for raising student achievement. The increase will help accelerate progress towards the President's goal of developing 3,000 new charter schools by early in the next century.

Supports content of
100,000 Master Teachers. The bill includes \$18.5 million in support of the President's plan to help 100,000 teachers nationwide seek certification as Master Teachers by the National Board for Professional Teaching Standards.

Provide
After-School Opportunities for Children. This *new investment* of \$40 million will help extend learning opportunities for children and their families at schools across the country, keeping schools open late, on weekends, and in the summer so young people will stay off the streets and out of trouble.

Support Strategy
Transform Failing Schools. The bill includes \$150 million in *new funds* for an initiative, supported by the President, to help low-achieving, low-income schools transform themselves through proven reforms, addressing failing schools without abandoning public education.

Help Children Learn English. The bill includes a **35% increase** in bilingual and immigrant education secured by the President in the Balanced Budget Agreement. This victory, increasing total funding to \$354 million, will help more children master English and prepare to meet the same challenging academic standards as all other students.

⁵
Help for Children with Special Needs. The bill strengthens our nation's 20-year commitment to children with disabilities and their parents, providing \$4.4 billion dollars for special education -- an increase of \$775 million over FY 1997.

Provision

High Standards for All Children. The bill provides \$491 million for the President's Goals 2000 school reform program. Communities in every state are using Goals 2000 funds to upgrade curriculum, improve teaching, increase parental involvement in schools, and make greater use of computers in the classroom. Since 1994, over \$1.3 billion has been invested in this vital initiative.

Fund >

Extra Assistance for Low-Income Schools and Students. The bill provides nearly \$7.4 billion in Title I to support extra help in basic and advanced skills for more than ten million disadvantaged students in elementary and secondary schools. Under the Clinton Administration, investment in Title I has grown by over \$ 1 billion.

HELPING STUDENTS GET A COLLEGE EDUCATION AND CONTINUE LEARNING FOR A LIFETIME

⁴
Increase Pell Grant Award to \$3,000 Maximum. Congress adopted President Clinton's proposal to increase the maximum Pell Grant to \$3,000 -- *the largest increase in two decades.* Approximately 3.7 million students will receive the \$300 increase, and an additional 214,000 low- and moderate-income families that were not previously eligible will receive Pell Grants.

¹
Protect Families' Financial Aid Eligibility. The bill includes the President's proposal to ensure that families' eligibility for Federal financial aid is not reduced as a result of the tax cuts for higher education. This was a part of the Administration's original HOPE Scholarship proposal, but was not included in the recent tax legislation.

¹
Reduce Student Loan Interest Rate. A one-year provision will reduce the interest rate on consolidation loans in the guaranteed student loan program to match the lower rate which has been offered under direct lending, and will allow old loans to be consolidated into either program.

STRENGTHENING OUR NATION'S COMMITMENT TO EQUITY IN EDUCATION

⁴
Fully Fund Office for Civil Rights. The bill fully funds the Department of Education's Office for Civil Rights, meeting the President's request for a 12% increase in order to protect America's students from illegal discrimination in education.

Increase Funding for Historically Black Colleges and Universities and Hispanic Serving Institutions. The bill meets the President's request for increases for both Historically Black Colleges and Universities and Hispanic-Serving Institutions, providing greater support for

these vital institutions.

Historically Black Colleges and Universities and Hispanic Serving Institutions

The bill meets the President's request for increases for both Historically Black Colleges and Universities and Hispanic-Serving Institutions, providing greater support for these vital postsecondary institutions.

OTHER VICTORIES

The bill also increases funding for teacher training in the Eisenhower Professional Development program and maintains our investments in Safe and Drug-Free Schools and Communities, School-to-Work, College Work-Study, and other education priorities. The bill also includes [increased support for **Opportunity Areas for Out-of-School Youth**][?].

DRAFT
1998 Education Budget:
An Historic Investment in Educational Opportunity
November 13, 1997

Now I ask you -- and I ask all our nation's governors; I ask parents, teachers, and citizens all across America -- for a new nonpartisan commitment to education -- because education is a critical national security issue for our future, and politics must stop at the schoolhouse door.
President Clinton, State of the Union Address, February 4, 1997

The Labor-HHS-Education Appropriations bill which the President signed today meets our national commitment to expand educational opportunities for all students. In addition to an 8% increase in Head Start, the bill increases discretionary funding for Education Department programs by more than \$3.2 billion over FY 1997 -- in line with commitments won by the President in the Balanced Budget Agreement. Overall, the bill represents the largest increase in America's national education investment in thirty years. The bill also contains an important agreement allowing continued progress toward high national standards and voluntary national tests in the basics of reading and math.

HELPING YOUNG CHILDREN GET READY TO LEARN

Head Start

The bill provides nearly \$4.4 billion for Head Start, continuing on track with the President's commitment to the goal of serving one million children. With this \$374 million increase, Head Start funding will have increased 57% since 1993. The program will serve an estimated 836,000 children in 1998.

RAISING STANDARDS: HELPING STUDENTS MASTER THE BASICS AND ADVANCED SKILLS

Voluntary National Tests

The bill allows continued development of national tests in 4th grade reading and 8th grade math, based on widely accepted national standards used in the National Assessment of Educational Progress (NAEP). It shifts control over test policies and development to the independent, bipartisan, National Assessment Governing Board (NAGB), as the Administration had proposed. The bill provides \$16 million to support the testing plan, and allows for pilot testing of test items to begin next Fall. The bill also provides for a feasibility study to determine if existing state tests can be linked to the NAEP standards, and to each other.

America Reads Challenge

The bill provides [\$301 million] in new America Reads funding. This builds on current AmeriCorps tutoring efforts, and more than 800 colleges that have committed to using Federal work-study slots tutoring children who need help in reading.

- ✓ AmeriCorps and the senior volunteer programs won an increase of \$64 million in the two bills that fund National Service program (\$39 million in the bill being signed today). This will fund more than 3000 AmeriCorps members and senior volunteers who will recruit more than 100,000 volunteer tutors.
- ✓ State teacher training and family literacy efforts are increased a total of \$47 million, [and \$5 million is provided to help provide training for tutors.]
- ✓ \$210 million for pending legislation based on the President's America Reads initiative. The House version of that legislation -- promoting tutoring, family literacy, and teacher training-- passed the House with the Administration's support on Saturday.

Technology Literacy Challenge Fund and Technology Innovation Challenge Grants

The technology education programs -- which were protected in the Balanced Budget Agreement -- received a **91 percent increase**, from \$305 million to \$545 million. These programs are designed to facilitate school access to the Internet and equip teachers with skills needed to integrate computers into their classroom instruction.

Charter Schools

President Clinton's public charter schools program received a **57 percent increase**, from \$51 million to \$80 million. This program provides start-up funding for public schools that parents, teachers, and communities create -- and that States free from most rules and regulations and instead holds them accountable for raising student achievement. The increase will help accelerate progress towards the President's goal of developing 3,000 new charter schools by early in the next century.

Master Teachers

The bill includes \$18.5 million in support of the President's plan to help 100,000 teachers nationwide seek certification as Master Teachers by the National Board for Professional Teaching Standards.

After-School Learning Centers

This *new investment* of \$40 million will help extend learning opportunities for children and their families at schools across the country, keeping schools open late, on weekends, and in the summer so young people will stay off the streets and out of trouble.

Comprehensive School Reform

The bill includes \$150 million in *new funds* for an initiative, supported by the President, to help low-achieving, low-income schools transform themselves through proven reforms, addressing failing schools without abandoning public education.

Bilingual and Immigrant Education

The bill includes a **35% increase** in bilingual and immigrant education secured by the President in the Balanced Budget Agreement. This victory, increasing total funding to \$354 million, will help more children master English and prepare to meet the same challenging academic standards as all other students.

IDEA

The bill strengthens our nation's 20-year commitment to disabled children and their parents, providing \$4.4 billion dollars for special education -- an increase of \$775 million over FY 1997.

Goals 2000

The bill provides \$491 million for the President's Goals 2000 school reform program. Communities in every state are using Goals 2000 funds to upgrade curriculum, improve teaching, increase parental involvement in schools, and make greater use of computers in the classroom. Since 1994, over \$1.3 billion has been invested in this vital initiative.

Title I

The bill provides nearly \$7.4 billion to support extra help in basic and advanced skills for more than ten million disadvantaged students in elementary and secondary schools. Under the Clinton Administration, investment in Title I has grown by over \$ 1 billion.

HELPING STUDENTS GET A COLLEGE EDUCATION AND CONTINUE LEARNING FOR A LIFETIME

Pell Grants

Congress adopted President Clinton's proposal to increase the maximum Pell Grant to \$3,000 -- *the largest increase in two decades*. Approximately 3.7 million students will receive the \$300 increase, and an additional 214,000 low- and moderate-income families that were not previously eligible will receive Pell Grants.

Protecting Families' Financial Aid Eligibility

The bill includes the President's proposal to ensure that families' eligibility for Federal financial aid is not reduced as a result of the tax cuts for higher education. This was a part of the Administration's original HOPE Scholarship proposal, but was not included in the recent tax legislation.

Student Loan Interest Rate

A one-year provision will reduce the interest rate on consolidation loans in the guaranteed student loan program to match the lower rate which has been offered under direct lending, and will allow consolidations into either program.

STRENGTHENING OUR NATION'S COMMITMENT TO EQUITY IN EDUCATION

Office for Civil Rights

The bill fully funds the Department of Education's Office for Civil Rights, meeting the President's request for a 12% increase in order to protect America's students from illegal discrimination in education.



U.S. DEPARTMENT OF EDUCATION

FAX TRANSMISSION

Office of the Secretary
600 Independence Avenue, SW
Washington, D.C. 20202
Office: (202) 401-3058
Fax: (202) 401-0596

TO: *Bob Shippman*

DATE: *11/10/97*

FAX :

PAGES: *5* , including cover.

FROM:

Susan Frost
Dan Bernal
Elizabeth Gregory
Office of the Secretary

SUBJECT:

COMMENTS:

Updated

U. S. DEPARTMENT OF EDUCATION

THE PRESIDENT'S CALL TO ACTION
AND THE

FY 1998 LABOR HHS AND EDUCATION BILL

CONFIDENTIAL



To prepare America for the 21st century, we need strong, safe schools with clear standards of achievement and discipline, and talented and dedicated teachers in every classroom. Every 8-year-old must be able to read, every 12-year-old must be able to log onto the Internet, every 18-year-old must be able to go to college, and all adults must be able to keep on learning.

- Excerpt from President Clinton's "A Call To Action for American Education in the 21st Century"

COMPARISON OF SELECTED DISCRETIONARY EDUCATION PROGRAMS
(\$ in Millions)

PROGRAM	1997 Appropriation	1998 President's Budget	FY 1998 Appropriation	President's Change from 1997	FY 1998 Appropriation Change from 1997	Impact
America Reads Challenge	—	260.0 (FY98)	210.0 (FY99)	+260.0 (FY98)	Unresolved (FY98) +210.0 (FY99)	
Goals 2000	491.0	620.0	491.0	+129.0	—	
Charter Schools	51.0	100.0	80.0	+49.0	+29.0	
Technology Literacy Challenge Fund	200.0	425.0	425.0	+225.0	+225.0	
Technology Innovation Challenge Grants	57.0	75.0	106.0	+18.0	+49.0	

DRAFT

PROGRAM	1997 Appropriation	1998 President's Budget	FY 1998 Appropriation	President's Change from 1997	FY 1998 Appropriation Change from 1997	Impact
Eisenhower Professional Development	310.0	360.0	335.0	+50.0	+25.0	
Education for the Disadvantaged (Title I)	7,799.6	8,077.3	7,871.8	+277.7	+222.2	
Basic Grants	6,269.7	6,187.9	6,269.7	-81.8	---	
Concentration Grants	1,022.0	999.2	1,102.0	-104.6	+80.0	
Comprehensive School Reform	---	---	120.0	---	+120.0	
Safe and Drug-Free Schools and Communities	556.0	620.0	556.0	+64.0	---	
Impact Aid	730.0	658.0	808.0	-72.0	+78.0	
After-School Learning Centers	1.0	50.0	40.0	+49.0	+39.0	
Special Education	4,036.0	4,210.0	4,811.0	+174.0	+772.9	
Bilingual Education	156.7	199.0	199.0	+42.3	+42.3	
Immigrant Education	100.0	150.0	150.0	+50.0	+50.0	

NOV. 4 1997

OFFICE OF SECRETARY

NOV. 10. 1997 8:30PM

DRAFT

COMPARISON OF HIGHER EDUCATION TAX CREDITS

Helps Families and Students Afford College, Finish a College Degree and Continue Learning Over a Lifetime

1998 President's Plan

1998 House Passed Bill

1998 Senate Passed Bill

HOPE Tax Credit

\$1,500 tax credit: 100% credit on first \$1,000 of tuition and fees, and 50% credit on the next \$1,000, beginning in 1998. After 2002, a 100% credit on first \$1,500 and 50% credit on next \$1,000.

50% tax credit on up to \$3,000 of tuition, fees and books for the first two years of college, beginning in 1998.

For community colleges and technical schools: 75% tax credit on up to \$2,000 of tuition, fees and books. For other colleges: 50% tax credit on up to \$3,000. Both begin in 1998.

Life-Long Learning Tax Credit

Phases in a 20% credit on up to \$10,000 of tuition (maximum value of \$2,000) for life long learning.

None

None

Total for HOPE and Life-Long Learning Tax Credits (over 5 years)

\$35 billion

\$22 billion

\$20 billion

NOV. 4 3 05 P.M. 11:00

OFFICE OF SECRETARY

8:30 P.M.

NOV. 10. 1997

DRAFT

PROGRAM	1997 Appropriation	1998 President's Budget	FY 1998 Appropriation	President's Change from 1997	FY 1998 Appropriation Change from 1997	Impact
School-to-Work (Identical amount in DOL budget)	200.0	200.0	200.0	---	---	
Vocational Education	1,139.1	1,172.0	1,147.1	+32.9	+8.0	
Adult Education	354.6	394.0	360.6	+39.4	+6.0	
Pell Grants	5,919.0 (\$2,700 max grant)	7,635.0 ¹ (\$3,000 max grant)	7,344.9	+1,716.0	+1431.9	
Federal Work- Study	830.0	857.0	830,000	+27.0	---	
Advanced Placement Fee	---	6.0	3.0	+6.0	+3.0	
TRIO	500.0	525.0	529.7	+25.0	+29.7	
SSIG	50.0	---	25.0	-50.0	-25.0	
SEOG	583.4	583.4	614.0	---	+30.6	
Perkins Loans	178.0	188.0	165.0	+10.0	-13.0	
HEA Title III	194.8	202.1	210.9	+7.3	+16.1	

¹ Includes \$725.0 million to expand independent student eligibility.

NO. 4965 P. 6/6
 NOV. 10. 1997 8:30PM
 OFFICE OF SECRETARY

DRAFT
Labor-HHS-Education Budget Victories
An Historic Investment in Educational Opportunity

November 12, 1997

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The Labor-HHS-Education Appropriations bill which the President signed today meets our national commitment to expand educational opportunities for all students. In addition to an 8% increase in Head Start, the bill increases discretionary funding for Education Department programs by more than \$3.2 billion over FY 1997 -- \$200 million *more* than the President won in the Balanced Budget Agreement. Overall, the bill represents the largest increase in America's national education investment in thirty years. The bill also contains an important agreement allowing continued progress toward high national standards and voluntary national tests in the basics of reading and math.

HELPING YOUNG CHILDREN GET READY TO LEARN

Head Start

The legislation includes the President's \$324 million (8%) [Barry had \$374 million over the FY 1997 level] increase in Head Start, allowing 836,000 children to be served. With this increase, Head Start funding will have increased 55% since 1993, continuing progress toward the President's goal of serving one million children.

HELPING STUDENTS MASTER THE BASICS AND ADVANCED SKILLS

Voluntary National Tests

The bill allows continued development of the 4th and 8th grade national tests, and shifts control over test policies and development to the independent, bipartisan, National Assessment Governing Board (NAGB), as the Administration had proposed. The bill provides \$16 million dollars to support the testing plan, and allows for pilot testing of test items to begin next fall. The bill also provides for a study of ways to link state tests to each other and to NAEP, an existing national sample test, that reflects high national standards.

America Reads

The Corporation for National and Community Service -- **AmeriCorps** -- won an increase of \$64 million in the two bills that fund the program. This is more than a 10 percent increase, a stark contrast to the *31 percent cut* in the House versions of the bills, and more than the increases provided by the Senate. The new funds will be used to expand the America Reads program, connecting AmeriCorps members with schools to recruit and

coordinate trained volunteers to provide children with the extra practice they need to learn to read well and independently by the end of third grade.

The bill also provides for \$210 million in FY 1999 for the America Reads Challenge legislation that is currently moving through Congress. In addition, funds are provided in FY 1998 to help train college work-study tutors.

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The technology education programs -- which were protected in the Balanced Budget Agreement -- received a *91 percent increase*, from \$305 million to \$545 million. That is \$39 million *more* than the President proposed. These programs are designed to facilitate school access to the Internet and equip teachers with skills needed to integrate computers into their classroom instruction.

Charter Schools

President Clinton's public charter schools program received a *57 percent increase*, from \$51 million to \$80 million. This program provides start-up funding for public schools that parents, teachers, and communities create -- and that States free from most rules and regulations and instead holds them accountable for raising student achievement. The increase will help accelerate progress towards the President's goal of developing 3,000 new charter schools by early in the next century.

After-School Learning Centers

This *new investment* of \$40 million will help extend learning opportunities for children and their families at schools across the country, keeping schools open late, on weekends, and in the summer so young people will stay off the streets and out of trouble.

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The bill includes \$150 million in *new funds* for an initiative, supported by the President, to help low-achieving, low-income schools transform themselves through proven reforms, addressing failing schools without abandoning public education.

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The bill includes a *35% increase* in bilingual and immigrant education secured by the President in the Balanced Budget Agreement. This victory, increasing total funding to \$354 million, will help more children master learn English and prepare to meet the same challenging academic standards as all other students.

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The bill strengthens our nation's 20-year commitment to disabled children and their parents, providing \$4.4 billion dollars for special education -- an increase of *\$775 million* over FY 1997.

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HELPING STUDENTS GET A COLLEGE EDUCATION AND CONTINUE LEARNING FOR A LIFETIME

Pell Grants

Congress adopted President Clinton's proposal to increase the maximum Pell Grant by \$300 to \$3,000 -- *the largest increase in two decades*. In addition, the program was expanded to serve an additional 210,000 low-income students who have been denied Pell Grants because of anomalies in the design of the program.

HOPE Modification to Enhance Eligibility for Financial Aid

At the last minute, appropriators added the President's proposal to ensure that families' eligibility for Federal financial aid is not reduced as a result of the tax cuts for higher education. This was a part of the Administration's original HOPE Scholarship proposal, but was not included in the recent tax legislation. In addition, a provision was added to reduce the interest rate on consolidation loans in the guaranteed student loan program to match the lower rate which has been offered under direct lending, and to allow consolidations into either program.

OTHER VICTORIES

The bill fully funds the Education Department's Office for Civil Rights; meets the President's request for increases for Historically Black Colleges and Universities and Hispanic-Serving Institutions; increases funding for teacher training in the Eisenhower Professional Development program; and maintains our investments in School-to-Work, Safe and Drug-Free Schools and Communities, College Work-Study, and other education programs. The bill also includes [increased support for **Opportunity Areas for Out-of-School Youth**][?].

TO: BILL KINCAID

FROM: MIKE COHEN

**3 PAGES, INCLUDING THIS REALLY NIFTY
AND OFFICIAL LOOKING COVER SHEET**

11/10/97 21:30

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DRAFT
Labor-HHS-Education Budget Victories
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RAISING STANDARDS?

HELPING STUDENTS MASTER THE BASICS AND ADVANCED SKILLS

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See insert

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Voluntary National Standards and National Tests

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Labor-HHS-Education Budget Victories

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Charter Schools

This Presidential priority received an increase of 57 percent, from \$51 million to \$80 million. This program provides start-up funding for public schools that parents, teachers, and communities create -- and that States free from most rules and regulations and instead hold accountable for raising student achievement.

After-School Learning Centers

This new investment of \$40 million will help keep schools open to provide youth with extended learning opportunities and a safe haven.

Bilingual and Immigrant Education

Both House and Senate bills include the President's major increase in bilingual and immigrant education funding -- each includes the \$354 million of funding which is a 35% increase. This is a victory that will help more children who speak another language to learn English and prepare them meet the same challenging academic standards as all other students.

Opportunity Areas for Out-of-School Youth

JON - DO YOU HAVE THE FINAL FIGURES FOR THIS, AND A GOOD DESCRIPTION?

HOPE fix for financial aid

At the last minute, appropriators added the President's proposal to ensure that families' eligibility for Federal financial aid is not reduced as a result of the tax cuts for higher education. This was a part of the Administration's original HOPE Scholarship proposal, but was not included in the recent tax legislation. In addition, a provision was added to reduce the interest rate on consolidation loans in the guaranteed student loan program to match the lower rate which has been offered under direct lending, and to allow consolidations into either program.

Other victories

- ✗ The bill fully funds the Education Department's Office for Civil Rights; meets the President's request for Historically Black Colleges and Universities and Hispanic-Serving Institutions; increases funding for teacher training (in the Eisenhower Professional Development program, which neither the House nor Senate versions had increased); and maintains our investments in Goals 2000, School-to-Work, Safe and Drug-Free Schools and Communities, Work-Study, and other programs.