



Conference Report to Accompany H.R. 3043 – Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2008

EXECUTIVE SUMMARY

The House is expected to consider the conference report for H.R. 3403, the Departments of Labor, Health and Human Services, and Education spending bill for FY2008, which includes the Military Construction Department of Veterans Affairs appropriations act for FY2008, on November 6, 2007. The conference agreement appropriates \$715 billion.

**Note: The President has issued a veto threat for H.R. 3403 because of excessive spending. The conference agreement appropriates \$606.4 billion for programs covered by Labor, Health and Human Services, and Education appropriations, which is \$10.4 billion above the President's budget request.*

In addition, this conference agreement includes the Military Construction, Department of Veterans Affairs, and related agency appropriations act for fiscal year 2008 (H.R. 2642). The President has said that if he was to receive H.R. 2642 by itself he would sign it into law to ensure our nation's veterans continue to have access to needed services, even though the bill is \$3.8 billion over his budget request.

**Note: The House passed H.R. 2642 on June 15, 2007, and the Senate passed their version on September 6, 2007, but the House delayed appointing conferees until October 31, 2007 – a full month after the end of the fiscal year.*

In an attempt to ensure passage of H.R. 3403, the Democrats elected to combine a widely supported Military Construction and Veterans Affairs appropriations bill with the fiscally irresponsible Labor, Health, and Education bill that is subject to a veto threat by the President.

**Note: None of the House Republicans on the Conference Committee signed the committee report.*

Floor Situation

The Conference Report for H.R. 3403 is being considered on the floor under a closed rule that:

1. Waives all points of order against the conference report and against its consideration.
2. Provides that the conference report shall be considered as read.

3. Provides that a motion to proceed to consideration of H.R. 3688 pursuant to section 151 of the Trade Act of 1974 shall be in order only if offered by the Majority Leader or his designee.
4. Provides that, upon receipt of a message from the Senate transmitting H.R. 3043, with a Senate amendment thereto, the chairman of the Committee on Appropriations may move that the House concur in the Senate amendment, that such motion shall be considered as read and debatable for one hour, and that the previous question shall be considered as ordered on the motion to its adoption without intervening motion.

The conference report is expected to be considered on the floor on November 6, 2007.

SUMMARY

DIVISION A – Labor, Health and Human Services, and Education Appropriations Act

The conference agreement provides \$606.4 billion for programs included in the Labor, Health and Human Services, and Education appropriations bill. Of that amount, \$150.7 billion is for discretionary funding.

	House- Passed	Senate-Passed	Budget Request	Conference Report
Total	\$607.4 billion	\$605.5 billion	\$596 billion	\$606.4 billion
Dept of Labor	\$14.8 billion	\$14.9 billion	\$13.9 billion	\$14.9 billion
Dept of Health and Human Services	\$479.4 billion	\$479.2 billion	\$472 billion	\$479.5 billion
Dept of Education	\$65 billion	\$63 billion	\$59 billion	\$63.6 billion
Related Agencies	\$50.7 billion	\$50.9 billion	\$50 billion	\$50.9 billion

Title I – Department of Labor

The bill provides \$14.9 billion for the Department of Labor, which is \$1.0 billion above the President's request and \$296 million above the FY2007 enacted level. The conference agreement is \$139 million above the House request and \$47 million above the Senate request. Highlights include:

- **Occupational Safety and Health Administration (OSHA)**: The conference agreement provides \$500.6 million for OSHA. This is \$2.9 million more than the House-funding level and \$10.3 million above the President's request.
- **Dislocated Worker Employment and Training Activities**: This program provides information and education to workers that have been laid off and those about to be laid off. The conference report would fund this program at \$1.47 billion for FY2008. This is \$356.9 million above the President's request and equals the FY2007 level and the House-passed level.
- **Migrant and Seasonal Farmworkers**: The conference agreement would fund this program at \$82.7 million, which is \$3 million above the FY2007 level and \$1 million below the

House-passed funding level. The President did not request any funding for this program for the 5th year in a row.

- National Competitive Grant Programs: This funding would support the programs included in the Workforce Investment Act, which authorizes programs in support of the workforce system. Included in this funding would be \$78.7 million for the Reintegration of Ex-Offenders program. This is \$9.9 million more than the House-passed level and \$39 million above the President's request.
- Bureau of Labor Statistics: The conference agreement includes \$566.8 million, which is \$6.8 million more than the Senate and \$9.3 million less than the House funded.
- Office of Labor – Management Standards: The conference agreement would fund this program at \$45.7 million, which is equal to the funding provided in the House-passed appropriations bill. However, it is \$11.2 million less than the President's budget request and \$2 million below the FY2007 enacted level.
- State Unemployment Insurance and Employment Service Operation: This program would be funded at \$3.37 billion, which is \$5.1 million less than the House and \$9.1 million less than the Senate funded the program. This program provides the funding for administrative grants and assistance to State agencies that manage Federal and State unemployment laws.
- Mine Safety and Health Administration (MSHA): This program would be funded at \$339.9 million, which is \$38.3 million more than FY2007 enacted level. The conference agreement funding for this program is \$26.4 million above the House-passed funding level and the President's request. According to the report, "the conferees believe that the additional funds provided are sufficient to ensure that MSHA completes all of its inspection responsibilities."
- Diacetyl: The conference agreement directs OSHA to provide a report to the Committees on Appropriations regarding its timeline for issuing a minimum permanent standard for the chemical diacetyl, which is used in artificial butter flavorings. The House passed the Popcorn Workers Lung Disease Prevention Act (H.R. 2693) on September 26, 2007, which requires the Secretary of Labor to issue a final interim rule regarding worker exposure to diacetyl. ([Legislative Digest for H.R. 2693](#)) There has been no Senate action on H.R. 2693.
- Office of Job Corps: The bill would fund this program at \$1.65 billion, which is \$128.1 million above the President's request, \$1 million more than the House-passed version, and \$72.2 million above the FY2007 enacted level. The Jobs Corps is a nationwide network of residential facilities chartered by Federal law to provide a comprehensive and intensive array of training, job placement, and support services to at-risk young adults.

Title II – Department of Health and Human Services

The bill provides \$479.5 billion for the Department of Health and Human Services, which is \$5.5

billion above the President's request and \$54.5 billion above the FY2007 enacted level. Highlights include:

- Pandemic Flu: The conference agreement would provide \$763.9 million for the Department of Health and Human Services to protect against a potential flu pandemic. The President requested \$6.7 billion for this project on November of 2005 and Congress has twice provided funding, but \$1 billion remained unfunded.
- National Cord Blood Inventory Program: The bill would fund this program at \$12 million, which is \$3 million less than the House- passed level.
- Terrorism Preparedness and Response: The conference agreement funds this program at \$1.549 billion, which is \$49 million less than the House-passed appropriations.
- Family Planning: The program would be funded at \$310.9 million, the same amount as passed by the House, which is \$27.8 million above the President's request and the FY2007 enacted level.
- Centers for Disease Control and Prevention: The CDC would be funded at \$6.6 billion, which is \$632.7 million more than the President's request and \$412.6 million above the FY2007 enacted level. It is also an increase of \$157.5 million over the House- passed funding level.
- National Institutes of Health: The conference agreement would fund the NIH at \$29.7 billion, which is \$1.4 billion above the President's request and \$899 million above the FY2007 enacted level. The conference agreement funding level is \$330 million above the House- passed funding level. The increase will go towards biomedical research supported by the NIH. The funding would also provide an increase of over 545 competing grants and support medical research.
- Low Income Home Energy Assistance (LIHEAP): This program would be funded at \$2.4 billion, which is \$250.4 million less than the House originally appropriated. It is \$629.6 million more than the President's budget request and \$250.4 million above the FY2007 enacted level.
- Children and Families Services Programs: The conference agreement would provide \$9.23 billion for the program, which is \$73.3 million more than House passed bill and \$980.7 million more than the President's request. This includes \$665 million for Community Services Block Grants and \$141 million for Abstinence Education.
- World Trade Center: The conference agreement would provide \$52.5 million for treatment of responders, residents, students, and others involved in the World Trade Center attack on September 11, 2001. The \$52.5 million would be provided under the CDC's National Institute for Occupational Safety and Health (NIOSH). The bill also requires the Secretary of Health and Human Services to establish a long-term,

comprehensive Federal plan for monitoring, screening, analysis, and medical treatment for all individuals who were exposed to the toxins at the World Trade Center site.

- Office of the National Coordinator for Health IT: The conference agreement appropriates \$66.15 million for this office. This is \$4.85 million more than the House- passed funding level.

**Note: The conference report removes the Senate's drug re-importation language, which prohibited funds for preventing individuals from importing drugs from Canada.*

Title III – Department of Education

The conference agreement provides \$63.6 billion for the Department of Education, which is \$4.4 billion above the President's request, \$1.38 billion less than the House funding levels, and \$3.2 billion over the FY2007 enacted level. Highlights include:

- Reading First State Grants: This program would be funded at \$400 million, which is \$619 million less than the President's request and \$629 million less than the FY2007 enacted level. This is \$46.5 million above the House- passed funding level. The majority indicates this decrease is in response to the Inspector General's report that the program has been mismanaged.
- Pell Grants: The conference agreement would provide \$14.5 billion for Pell Grants, which is \$1.08 less than the House- passed funding level. This is \$1.08 billion above the President's request and \$837 million above the FY2007 enacted level. Under the conference agreement, the maximum award for a Pell Grant would be set at \$4,435.
- No Child Left Behind Act: The conference agreement funds grants for local education agencies and special education at \$25.6 billion, which is \$100 million less than the House funding level. The funding level is \$1.2 billion over the President's request and \$2 billion above the FY2007 enacted level.

Title IV – Related Agencies

The bill provides \$50.9 billion for related agencies. Highlights include:

- Corporation for Public Broadcasting: The conference agreement would provide \$420 million in advanced funding for FY2010, which is consistent with the House- passed funding level. This is \$20 million over the FY2009 level and the President did not request any new appropriations. In addition to this appropriation, \$29.7 million is proposed for digital transition activities and \$26.8 million is proposed for replacing the National Public Radio interconnection system. The President proposed that both digital transition and interconnection be paid for out of the existing FY2008 advance appropriation.
- Social Security Administration: The bill would provide \$9.87 billion for the Social Security Administration, which is \$175 million more than the House appropriated. This funding level is \$275 million above the President's request and \$576.4 million over the FY2007 enacted level.

DIVISION B – Military Construction and Veterans Affairs

The conference agreement funds Military Construction and the Department of Veterans' Affairs at \$109 billion, which is \$3.8 billion over the President's FY2008 budget request. Of this amount, \$64.7 billion is discretionary funding.

Title I – Department of Defense

	House Passed	Senate Passed	Budget Request	Conference Report
Total	\$21.4 billion	\$21.6 billion	\$21.2 billion	\$21.5 billion
Army	\$4.1 billion	\$3.9 billion	\$4 billion	\$3.95 billion
Navy/Marine Corps	\$2.1 billion	\$2.2 billion	\$2.1 billion	\$2.22 billion
Air Force	\$922.2 million	\$1.04 billion	\$912.1 million	\$1.2 billion
Defense-Wide	\$1.81 billion	\$1.76 billion	\$1.8 billion	\$1.61 billion
Army National Guard	\$439 million	\$479 million	\$404 million	\$537 million
Air National Guard	\$96 million	\$229 million	\$86 million	\$288 million
Army Reserve	\$155 million	\$138 million	\$120 million	\$148 million
Navy Reserve	\$69 million	\$59 million	\$59 million	\$64 million
Air Force Reserve	\$36.6 million	\$24.5 million	\$27 million	\$25.3 million
NATO SIP	\$201 million	\$201 million	\$201 million	\$201 million
Family Housing Total	\$2.9 billion	\$2.9 billion	\$2.9 billion	\$2.9 billion
Chem. Demil. Construc.	\$86 million	\$104 million	\$86 million	\$104 million
BRAC Account 1990	\$271 million	\$321 million	\$221 million	\$296 million
BRAC Account 2005	\$8.2 billion	\$8.2 billion	\$8.2 billion	\$8 billion

- **BRAC Account 1990:** The BRAC Account 1990 includes an increase of \$75 million over the President's budget request, of which the Army receives \$25 million and the Navy receives \$50 million. The Army and Navy are directed to submit an expenditure plan for the additional funds within 30 days of enactment of this act. The conference agreement requires that the Department of Defense seek a prior approval for reprogramming when the amount to be obligated for a site or closure package is greater than 20% or \$2 million (which ever is greater) of the amount programmed for FY2008.
- **Missile Defense:** Under this agreement, the Committees on Appropriations for both houses require written notification prior to the obligation or expenditure of NSIP funds for missile defense studies, planning and design, or the construction of missile defense facilities in Poland or the Czech Republic.

Legislative Provisions:

- Permits funds in this title to be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads that are certified as important to national defense by the Secretary of Defense.
- Prohibits the use of funds in this title for the construction of new bases in the United States for which specific appropriations have not been made.
- Prohibits the procurement of steel unless American manufacturers have competed for the contracted.
- This title limits the amount of funds in this title that may be obligated for the last 2 months of FY2008.
- The bill requires the DOD to report to Congress on the actions the DOD is taking to encourage other member nations of NATO, Japan, Korea, and allies bordering the Arabian Sea to assume a greater role in the common defense of such nations and the United States.

Title II – Department of Veterans Affairs

The conference agreement appropriates \$88 billion for the Department of Veterans' Affairs. This is \$4.1 billion above the President's FY08 budget request.

Veterans Benefits Administration

- Compensation and Pensions: The conference agreement provides \$41 billion for Compensation as proposed by both the House and the Senate.
- Readjustment Benefits: Under this agreement, \$3.3 billion is appropriated for this program, which is the same amount provided by both the House and Senate.
- Veterans Insurance and Indemnities: The conference agreement provides \$41 million, which is the same amount as proposed by the House and the Senate.
- Native American Veteran Housing Loan Program Account: The conference agreement appropriates \$628,000 for administrative expenses of this program.

Veterans Health Administration

- Veterans Medical Services: The conference agreement appropriates \$29 billion for Medical Services, which is \$72.8 million above the House appropriated level, and is \$1.9 billion more than the President's request.

- Medical Administration: The conference agreement provides \$3.5 billion, which is \$6.4 million more than the House-passed funding level.
- Medical Facilities: Under the conference agreement, Medical Facilities are funded at \$4.1 billion as proposed by the House. This is \$500 million above the President's budget request.
- Medical and Prosthetic Research: The conference agreement appropriates \$480 million for Medical and Prosthetic research as proposed by the House.

National Cemetery Administration

- This agreement appropriates \$195 million for the National Cemetery Administration, which is \$25 million more than the House funding level and \$29 million more than the President's budget request.

Departmental Administration

- General Operating Expenses: The conference report appropriates \$1.6 billion for General Operating Expenses, which is \$6.5 million more than the House funding level.
 - Benefits Claims Processors: The bill provides for an additional 1,800 benefits claims processors for the VA.
- Information Technology Systems: The conference agreement appropriates \$1.97 billion for Information Technology Systems, which is \$107 million above the House-passed appropriations.
- Office of the Inspector General: The title provides \$80.5 million for the Office of Inspector General, which is \$4 million above the House funding level and includes \$1.1 million for information technology systems unique to the Office.
- Construction:
 - Major Projects: The conference agreement appropriates \$1.1 billion for this program, which is \$342 million below the House funding level. It does include a House passed provision which places a limit on the use of funds related to 18 facilities on the Capital Asset Realignment for Enhanced Services list requiring further study.
 - Minor Projects: The conference agreement provides \$631 million for this program, which is \$16 million more than the House appropriated.

Title III – Related Agencies

- American Battle Monuments Commission: The conference report provides \$55.6 million for this Commission. Included in this amount, is \$11 million for foreign currency fluctuations. The total amount is \$1.1 million above the House- passed funding level.
- U.S. Court of Appeals for Veterans Claims: The conference agreement provides \$22.7 million for salaries and expenses, which is \$1.3 million more than the House provided in their version of the appropriations bill.
- DOD – Civil Cemeterial Expenses, Army: Under this agreement, this program is funded at \$31.2 million, which is \$638,000 more than the House- passed funding level.
- Armed Forces Retirement Home: The conference report reflects both the House- and Senate- passed funding levels and appropriates \$55.7 million for the Amed Forces Retirement Home.

Title IV – General Provisions

Prohibits any appropriation contained in this bill from being obligated to a fiscal year other than FY2008, unless otherwise specified.

- If a Federal entity or official knows that funds appropriated in this Act are not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandate, then the funds may not be obligated.
- The bill encourages all departments and agencies funded by this Act to expand their use of E-Commerce technologies and procedures.

Staff Contact

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