



Labor-HHS-Education Bill Will Slash Services for Low-Income Families

Services for low-income families will be deeply cut next year as part of a bill that funds the Departments of Labor, Health and Human Services and Education. The fiscal 2006 Labor-HHS-Education Appropriations bill has been approved by a conference committee of House and Senate negotiators. The conference agreement must next go to the House and Senate for approval. Here's a summary of the agreement:

OVERVIEW

The fiscal 2006 Labor-HHS-Education bill provides \$143.0 billion for appropriated programs. This is \$1.5 billion below last year's level. Once inflation is taken into account, the 2006 bill will provide billions below the level needed to maintain current services.

These are not the only cuts. The Labor-HHS-Education bill cuts come *on top of* cuts to mandatory programs (such as Medicaid and food stamps) contained in the budget reconciliation bill currently moving through Congress.

In addition, Congress is expected to pass in December an **across-the-board cut** that will hit all domestic appropriated programs (those approved annually and not defense or homeland security). This across-the-board cut could be 1 percent or more overall – but if some programs are protected, others will be cut deeper.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The House-Senate conference agreement cuts funding to the Department of Health and Human Services \$976 million below last year's level.

Head Start. The \$6.8 billion early education program would be flat funded or would receive a small increase – not enough to cover the increased cost of providing services due to inflation.

Low Income Home Energy Assistance. Despite predictions of record energy prices this winter, the conference agreement would maintain LIHEAP funding at last year's level. The agreement funds regular LIHEAP at \$2 billion and \$183 million in contingency funds that could be released at the President's request. This is far below the \$5.1 billion authorized by Congress, and ignores the \$1 billion increase for LIHEAP included in the House budget reconciliation bill.

Maternal and Child Health Block Grant. The conference agreement cuts \$24 million (3 percent) from this program that provides prenatal care for mothers and preventive care for children. If approved, this would mean the purchasing power of the grant would be reduced 20 percent from fiscal 2002.

Community Services Block Grant. The conference agreement maintains CSBG at the same level as last year. However, an expected across-the-board cut, plus the effect of inflation will result in funding at a level below current services.

Child Care and Development Block Grant. Although the conference agreement maintains child care at the same level as last year, inflation plus an across-the-board cut will erode current services.

DEPARTMENT OF LABOR

The conference agreement cuts funding to the Department of Labor \$430 million below last year's level.

Adult and youth workforce training. Grants for adult training (WIA) are cut \$31 million (3.4 percent) below last year's level. This is the lowest level of funding in a decade. Grants for youth training (WIA) are cut \$36 million (3.7 percent) below last year's level.

Dislocated workers. The conference agreement maintains dislocated workers assistance at the same level as last year. However, an expected across-the-board cut, plus the effect of inflation will result in funding at a level below current services.

U.S. Employment Service Office. Employment services match job seekers with job openings. The program suffers a \$89 million cut (10.5 percent) from last year.

Unemployment Insurance Offices. The conference agreement would cut \$141 million (5.3 percent) from UI offices, which help unemployed workers get unemployment benefits.

Migrant and Seasonal Farmworkers. The conference agreement includes an increase of \$4.3 million (5.7 percent) from last year. The President's budget would have eliminated the program.

DEPARTMENT OF EDUCATION

The conference agreement cuts funding to the Department of Education \$59 million below last year's level – the first cut to federal education in a decade.

No Child Left Behind. For the first time since education reform in 2001, the conference agreement would cut \$784 million (3.2 percent) from No Child Left Behind. The current level is \$13.1 billion below the authorized level. Funding for Title I, which directs federal money to low-income school districts, is increased just \$100 million rather than the \$603 million recommended by the President.

Education for Children with Disabilities. The conference agreement provides \$10.7 billion to states to help pay educating children with disabilities (IDEA Part B state grants). This is a one percent increase from last year but \$408 million less than the President's request. Under current law, federal contributions to IDEA is supposed to be 40 percent – the conference agreement would drop federal contributions to just 18 percent.

Even Start. The family literacy program suffers a \$125 million cut under the conference agreement. Most families taking advantage of Even Start earn less than \$15,000 per year and 86 percent of parents had not completed high school.

Pell Grants. The conference agreement does not raise the maximum Pell Grant by an additional \$100, as promised by the President. The maximum grant of \$4,050 will be frozen for the fourth consecutive year.

Adult Education, Vocational Education, Reading First and Early Reading First. The conference agreement maintains these programs at the same level as last year.