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## THE LABOR – H.H.S. – EDUCATION VETO IN CONTEXT

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President Bush has said he will veto the appropriations bill that funds the Departments of Labor, Health and Human Services, and Education for the coming fiscal year if Congress sends the bill to him with funding at the level either the House or Senate has approved.<sup>i</sup> The Administration says the funding provided in the House- and Senate-passed bills is “excessive” and “irresponsible” and has sought to portray them as part of a congressional plan that would constitute “runaway spending.” This short analysis finds these claims to be misleading or inaccurate.

- The Administration wants to cut the programs funded under the Labor-HHS-Education bill by \$6.7 billion, or 4.5 percent, below the existing funding levels for these programs, adjusted only for inflation. The House-passed Labor-HHS-Education bill, in contrast, would increase funding by \$6.1 billion, or 4.1 percent, while the Senate-passed bill would increase funding by \$4.3 billion, or 2.9 percent.<sup>ii</sup> The Administration never mentions that the President’s veto is designed to force reductions in programs funded by this bill.

- When inflation and population growth are *both* taken into account, the funding provided in either the House- or Senate-passed bills is actually *below* the average levels enacted for fiscal years 2002 through 2006 with the President’s approval. Thus, the President is promising to veto a bill that will likely cost between \$4 billion and \$6 billion *less*

### Programs Funded by the Labor-HHS-Education Appropriations Bill

The bill funds such programs as Head Start, child care, Title 1 education for the disadvantaged, special education, vocational education, Pell Grants, the National Institutes of Health, the Center on Disease Control, community health centers, maternal and child health grants, rural health programs, the low-income home energy assistance program, the community services block grant, job training and the Job Corps, and mine safety.

### Administration Would Cut Labor-HHS-Education Funding While Congress Would Increase It 2008 funding relative to the CBO baseline (i.e., to the 2007 level adjusted only for inflation)

	CBO	Bush	House	Senate
Funding (billions)	147.6	140.9	153.7	151.9
\$ change re CBO		-6.7	+6.1	+4.3
% change re CBO		-4.5%	+4.1%	+2.9%

### Labor-HHS- Education Funding Will Fall Below 2002-2006 Levels Even Under Congress’ Plan 2008 funding relative to the average 2002-2006 level, adjusted for inflation and population

	02-06	Bush	House	Senate
Funding (billions)	157.5	140.9	153.7	151.9
\$ change re 02-06		-16.6	-3.8	-5.7
% change re 02-06		-10.6%	-2.5%	-3.6%

**Funding for Two Military Bills Will Grow Far More Than Funding for the Labor-HHS-Education Bill  
2008 funding relative to the CBO baseline, i.e., to the 2007 level adjusted only for inflation**

	\$ change	% change
Defense & veterans, combined* (will not be vetoed)	+42.1 billion	+8.7 %
Labor-HHS-Education: average of House and Senate bills (will be vetoed)	+5.2 billion	+3.5 %
Labor-HHS-Education: Bush request	-6.7 billion	-4.5 %

\* Amounts are the congressional levels for the two bills combined. The House and Senate levels for these two bills are identical to each other and combined are nearly identical to the President's request.

in real population-adjusted terms than the average level for the Labor-HHS-Education bills for 2002 through 2006, which he signed and which were enacted when his party controlled Congress.<sup>iii</sup> This casts doubt on the Administration's characterization of the funding for the current bill as "excessive" and "irresponsible."

- Two appropriations bills the President intends to sign are the Department of Defense bill and the bill that funds military construction and the Department of Veterans' Affairs. The Congressional funding for these two bills represents an increase of \$42 billion, or 8.7 percent, over the 2007 level adjusted for inflation — a far greater increase than for the Labor-HHS-Education bill. (The amount that Congress is providing for these two bills is nearly identical to the amount the President requested.) *None* of this defense increase is to fund the wars in Iraq and Afghanistan, which will be funded separately by "emergency" appropriations that could themselves amount to \$200 billion in 2008 alone.

One might ask why a \$4 billion to \$6 billion increase for education, health research, and job training constitutes "runaway spending" but a \$42 billion increase for military construction, defense activities *unrelated* to the war, and veterans spending does not.

- One possible argument for cutting education, health, and job training programs is that cuts in these areas are necessary to partially offset either the increased funding for defense or the costs of the wars or the costs of the 2001 and 2003 tax cuts (the tax cuts will cost more than \$250 billion in 2008 alone). But the Administration has never made such an argument, perhaps because doing so would acknowledge that the President seeks to cut these domestic programs. To avoid a discussion of explicit tradeoffs or shared sacrifice, the Administration has instead asserted that the funding increases Congress seeks for education, health research, and job training are *inherently* "excessive" and constitute "runaway spending" — assertions that have little merit, as the figures in this analysis indicate.

<sup>i</sup> The House and Senate each passed similar versions of the bill, and a conference committee is expected to reach an agreement between the two chambers shortly.

<sup>ii</sup> Notes on data used in this analysis. All amounts in this analysis are for "discretionary," or non-entitlement, programs funded by the Labor-HHS-Education appropriations bill for the coming year, fiscal year 2008. The figures for 2002 through 2006 exclude emergency funding, e.g., for Katrina relief in 2005 and 2006. The existing (2007) funding levels, adjusted for inflation, are from the Congressional Budget Office; they are "CBO's 2007 March baseline." Finally, our figures for the congressional funding levels for 2008 include almost \$2 billion that is technically provided as an advance appropriation for 2009 but that goes to programs such as education grants, whose 12-month "program year" spans the end of fiscal year 2008 and the beginning of fiscal year 2009. In such programs, advance funding for 2009 or regular funding for 2008 are effectively equivalent, because they both would be used in the same "program year." Accordingly, we treat the increase in advance 2009 funding as though it were an increase in 2008 funding.

<sup>iii</sup> The Labor-HHS-Education appropriations bill for 2002 was enacted in the fall of 2001, when Senator Jim Jeffords of Vermont had left the Republican party to become an independent, giving control of the Senate to the Democrats for one year (by a margin of 50-49-1).