



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 7, 2019

The Honorable Nita Lowey
Chairwoman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Lowey:

On April 30, 2019, the Labor, Health and Human Services, Education, and Related Agencies Subcommittee considered the fiscal year (FY) 2020 Labor, Health and Human Services, Education, and Related Agencies Appropriations bill. We are strongly opposed to the budgetary framework that underlies this and other appropriations bills being considered by the Appropriations Committee. In advance of Full Committee consideration of this bill, I would like to take this opportunity to share both these overall concerns as well as specific concerns related to this bill.

The Labor, Health and Human Services, Education, and Related Agencies Appropriations bill is one of the first bills being considered under House Democrats' budget framework, which would raise the discretionary spending caps by more than \$350 billion in FYs 2020 and 2021 and does not reflect a House-passed budget resolution or a bipartisan, bicameral agreement. This would put the Federal Government on track to add nearly \$2 trillion to deficits over 10 years, while the national debt is already above \$22 trillion and rising.

In addition, the House Democrats' framework continues the misguided notion that increases to defense spending must be matched or exceeded by increases to non-defense spending. The bills under consideration actually provide more than twice as much additional funding in FY 2020 for non-defense programs than for defense programs, relative to FY 2019 levels. Investing in our national security remains a key Administration priority, but ensuring our defense does not require additional non-defense discretionary funding.

Excessive deficits continue to threaten the Nation's progress, and without action to restore the proper size and role of Government, deficits will remain over a trillion dollars per year for the foreseeable future. The President's FY 2020 Budget provides the Congress with a clear roadmap for bringing Federal spending under control. It proposes more spending reductions than any other administration has proposed in history, while providing necessary funding for defense, national security, and other critical needs. Importantly, the Budget protects these key priorities while adhering to the discretionary spending caps in current law. The Congress must do the same.

Overall, according to information provided in the Subcommittee press release, the bill increases funding by about \$47.8 billion, or nearly 34 percent above the FY 2020 Budget request, and \$11.7 billion, or 6.6 percent above the FY 2019 enacted level.

The Administration appreciates that the Subcommittee bill includes funding for critical priorities, including funding for the Ending HIV Epidemic Initiative and the \$1.5 billion provided for State grants at the Department of Health and Human Services (HHS) to combat the opioid epidemic. The Administration also appreciates the bill's support for the expansion of the apprenticeship model at the Department of Labor, but opposes the restriction that the funding only be spent on registered apprenticeships. This restriction limits the Department's ability to engage employers in adopting the apprenticeship model, particularly employers in industries in which apprenticeships are not already common.

While the Administration also appreciates the funding that the bill provides for the Unaccompanied Alien Children (UAC) program at HHS, the level provided by the Subcommittee would be insufficient to meet current program needs, which are at crisis levels. The Administration urges the Congress to enact the \$2 billion mandatory contingency fund proposed in the FY 2020 Budget request, which we believe is the most effective way to manage the inherent uncertainty in this program. The bill also includes numerous language provisions that may impede HHS's ability to effectively operate the UAC program and create additional barriers that would prevent the Government from enforcing the Nation's immigration laws.

However, the bill includes funding that the Administration believes is not in line with the overall effort to control non-defense spending reflected in the FY 2020 Budget request or underfunds key investments in critical areas supported in the FY 2020 Budget request, including:

- Over \$6 billion in unnecessary spending at the Department of Education. The bill maintains or provides increased funding for over 20 programs that the FY 2020 Budget request proposed for elimination because they have achieved their original purpose, duplicate other programs, are narrowly focused, or are unable to demonstrate effectiveness. This includes \$2.6 billion for Title II Supporting Effective Instruction State Grants (\$500 million above the FY 2019 enacted level), \$1.3 billion for 21st Century Community Learning Centers (\$100 million above the FY 2019 enacted level), and \$1 billion for Supplemental Educational Opportunity Grants (\$188 million above the FY 2019 enacted level).
- Job Corps. The bill provides \$1.9 billion for the Job Corps program at the Department of Labor, \$853 million above the FY 2020 Budget request, and continues to fund low performing centers that are failing their students and wasting taxpayer dollars.
- Corporation for National and Community Service. The bill ignores the FY 2020 Budget request's proposed elimination of this agency, instead providing \$1.1 billion. This funding is unnecessary and wasteful, as the Corporation's mission is not a core Government function.
- Teen Pregnancy Prevention (TPP) program. The bill provides \$110 million for the TPP program within HHS, which is \$9 million above the FY 2019 enacted level. The FY 2020 Budget request proposed to eliminate the TPP program, which serves less than one percent of teenagers in the United States.

- Student Aid Administration. The bill funds Student Aid Administration within the Department of Education at the same level as FY 2019 enacted, which is \$133 million below the FY 2020 Budget request. This would be the second year of flat-funding for this program. The requested increase is needed to effectively service Federal student loans; improve cybersecurity and protect the data of 40 million Americans; and implement Federal Student Aid's Next Generation Processing and Servicing Environment, which is part of the *Delivering Government Solutions in the 21st Century* plan.
- Expanded Public Service Loan Forgiveness. The bill provides \$350 million for an expansion of Public Service Loan Forgiveness. The Congress has provided a total of \$700 million for similar expansions over the past two fiscal years, which greatly exceeds the amount of forgiveness borrowers have received. The FY 2020 Budget request proposed to eliminate Public Service Loan Forgiveness to simplify repayment for all new undergraduate borrowers regardless of occupation and create a pathway for expedited debt forgiveness after 15 years of payments instead of after 20 years under current law.
- Unnecessary spending on health professions training programs at HHS. The bill funds programs that the FY 2020 Budget request proposed for elimination because they use Federal funds to help individuals enter well-compensated professions with no requirement that they practice in underserved areas.
- Protection of union members. The bill underfunds the Administration's request for the Department of Labor's Office of Labor-Management Standards and fails to provide needed funds to strengthen protections for union members from flawed officer elections, fraud, and embezzlement.
- Agency for Healthcare Research and Quality (AHRQ). The bill does not consolidate AHRQ's activities into National Institutes of Health (NIH) within HHS and provides \$358 million, which is \$102 million more than the FY 2020 Budget request. The FY 2020 Budget request proposed to consolidate AHRQ's activities into the NIH to better coordinate health services research and eliminate funding for potentially duplicative or lower priority activities.
- NIH. The Administration appreciates the Committee's support of high priority research areas identified in the FY 2020 Budget request, such as the Childhood Cancer Data Initiative at NIH. Strategic funding accelerates the development of treatments and interventions. However, the bill provides \$7 billion more than the FY 2020 Budget request for NIH and the fifth consecutive \$2 billion increase, which is unsustainable and incompatible with the Administration's effort to focus resources on high priority research.
- Restrictions to Executive Flexibilities. While the Administration appreciates the flexibilities that the Congress has provided to the Secretaries of the Departments of Labor, HHS, and Education to reorganize and to re-allocate a percent of funds

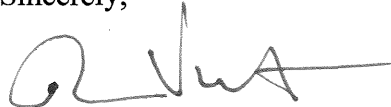
between appropriations to respond to changing needs within these agencies, the Administration urges the Congress to continue such flexibilities in the same long-standing manner of years past. Restricting the Labor, Health and Human Services, and Education reorganization flexibilities and these agencies' Secretary's transfer authorities would hinder their ability to improve operational efficiencies and respond quickly to changing resource needs.

The bill also includes a number of objectionable language provisions, including section 224, which prohibits changes to the method that NIH uses to pay grantee institutions for facilities and administrative costs. The section also prohibits other Federal departments and agencies from developing or implementing modified indirect cost policies, which inhibits agency staff and stakeholders from developing strategies to maximize effectiveness of Federal Government programs and reduce burden. In addition, the Administration is concerned that the bill requires the Centers for Disease Control and Prevention, and purportedly NIH, to fund research on firearm injury and mortality prevention.

The Administration also opposes language under the Health Resources and Services Administration heading that would prevent implementation of the new rule that would ensure compliance with statutory Title X program integrity provisions at HHS, in particular the prohibition on funding programs where abortion is a method of family planning. The new rule makes notable improvements designed to increase the number of patients served and improve the quality of their care. In addition, the bill includes \$114 million more than the FY 2020 Budget request for Title X Family Planning.

As the Committee takes up the Labor, Health and Human Services, Education, and Related Agencies Appropriations Subcommittee bill, the Administration looks forward to working with you to address these concerns.

Sincerely,



Russell T. Vought
Acting Director

cc: The Honorable Rosa DeLauro
The Honorable Tom Cole

Identical Letter Sent to the Honorable Kay Granger