

FY2018 Labor-HHS-Education Appropriations: Status and Issues

August 15, 2017

Congress has begun consideration of the 12 annual appropriations bills for FY2018, including the bill for the Departments of Labor, Health and Human Services, and Education, and Related Agencies (LHHS), which is one of the largest and most controversial of the bills. When taking into account both [mandatory and discretionary funding](#), the bill typically receives about \$900 billion annually. Most recently, the House Appropriations Committee reported the FY2018 LHHS bill to the House on July 24, 2017 (H.R. 3358; H.Rept. 115-244). The report accompanying the House bill includes a [detailed table](#) that summarizes the funding that is provided in the bill and set aside through report language. Senate Appropriations Committee action on its version of the bill has not yet occurred.

Scope of the Bill

The LHHS bill provides annually appropriated budget authority for the [Department of Labor](#), the majority of the [Department of Health and Human Services](#) (except for the Food and Drug Administration, the Indian Health Service, and the Agency for Toxic Substances and Disease Registry, which are funded in other appropriations bills), the [Department of Education](#), and more than a dozen related agencies, including the [Social Security Administration](#) and the Corporation for National and Community Service.

In general, mandatory funding represents about [80% of the total LHHS bill](#), supporting annually [appropriated entitlements](#), such as Medicaid and Supplemental Security Income. Discretionary funds account for less than a quarter of total funds in the bill, but tend to receive the most attention throughout the LHHS appropriations process. This is because the appropriations process generally has little control over the amounts provided for appropriated entitlements; rather, the authorizing statute controls the program parameters (e.g., eligibility rules, benefit levels) that entitle certain recipients to payments.

Notably, while discretionary appropriations represent a relatively small share of the entire LHHS bill, the bill itself is typically the largest single source of nondefense discretionary funding for the federal government (the [Department of Defense bill](#) is the largest single source of discretionary funding overall).

FY2018 Congressional Action

The FY2018 appropriations process has been affected by two notable circumstances. The first was a presidential transition, from the Administration of President Barack H. Obama to the Administration of President Donald J. Trump, occurring in late January 2017. As a result of this [transition](#), the full FY2018 budget submission was delayed until May 22, 2017. The second notable circumstance was that final FY2017 appropriations for 11 of the 12 annual bills were not enacted until May 5, 2017 ([P.L. 115-31](#)),

about two weeks before the [FY2018 budget](#) was submitted. Consequently, final appropriations levels for FY2017 were largely unknown during the formulation of the FY2018 budget proposal, and consideration of FY2018 appropriations began shortly after final FY2017 appropriations were determined.

In addition, the House and the Senate have not yet adopted a [budget resolution](#) for FY2018, which is the mechanism through which an enforceable limit on LHHS funding would be determined. In the absence of a budget resolution, each Appropriations Committee has released interim discretionary spending levels for each of the 12 appropriations bills. While neither the House “[revised interim suballocations](#)” nor the Senate “[funding guidance](#)” is enforceable [in the absence of a budget resolution](#), they may provide an indication of the amount of spending for the LHHS bill that each committee anticipates.

For discretionary LHHS appropriations, **Table 1** displays the FY2018 House revised interim suballocation and the FY2018 Senate funding guidance, along with the FY2017 comparable level. Relative to FY2017, the House committee would decrease FY2018 discretionary funding for LHHS by about \$5 billion (-3%), whereas the Senate committee would increase that funding by about \$3 billion (+2%).

Table 1. LHHS Discretionary Appropriations: FY2017 Comparable, FY2018 House Revised Interim Suballocation, and FY2018 Senate Funding Guidance

(Budget authority in billions of dollars)

FY2017 Comparable	FY2018 House Revised Interim Suballocation	FY2018 Senate Funding Guidance
161.025	156.082	164.066

Source: Table prepared by the Congressional Research Service (CRS). FY2017 comparable is the discretionary appropriations for LHHS, as scored by the [Congressional Budget Office](#). The [FY2018 House revised interim suballocation](#) is as posted on the [committee website](#) on July 19, 2017. The [FY2018 Senate funding guidance](#) is dated July 20, 2017.

Notes: These amounts reflect current-year discretionary budget authority subject to spending limits. FY2017 comparable amounts exclude funds for program integrity activities (\$1.960 billion), for which special budget enforcement rules apply. The House interim suballocation separately reserves an amount for program integrity (\$1.896 billion), for a total of \$157.938 billion. The Senate funding guidance does not include an amount for program integrity. In addition, this table does not reflect funds provided under certain authorities in the 21st Century Cures Act (P.L. 114-255) that are effectively exempt from the spending limits. (For FY2017 comparable, these funds totaled \$852 million.)

The House Appropriations LHHS subcommittee approved its [draft bill](#) and [report language](#) for full committee consideration on July 13, 2017. (The subcommittee also released a [summary of key provisions](#).) The full committee markup was held on July 19, and the bill was ordered to be reported that same day ([by a vote of 28-22](#)). The bill was subsequently reported to the House on July 24, as H.R. 3358. The accompanying committee report, H.Rept. 115-244, indicates that discretionary spending in the bill was the same level as the LHHS interim suballocation.

The Senate has not yet scheduled a markup or released any materials pertaining to its FY2018 LHHS bill.

Additional Resources

For more information on the status of congressional action on FY2018 appropriations as a whole, see the CRS Appropriations Status Table: FY2018 and the most recent [CBO status tables](#) for discretionary appropriations in the House and the Senate. For background on congressional budgeting during the 2017 calendar year, see CRS Report R44799, *Budget Actions in 2017*, by Grant A. Driessen and Megan S. Lynch. In addition, many more reports addressing key funding questions for the programs and agencies funded by the LHHS appropriations bill are available on the CRS website.

Table 2. CRS LHHS Appropriations Contacts

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