



Children's Programs Receive Smaller Increase Than Other Programs in 2020 Labor–HHS–Education Act

A Kids' Share Analysis

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February 2020

The Labor–Health and Human Services (HHS)–Education appropriations bill sets federal funding levels for important programs supporting our nation's children. The Kids' Share research team tracked proposed funding as successive versions of the budget moved through the budgetary process: the president's budget submitted in March 2019; the bill passed by the House in June 2019¹; the bill drafted by the Senate in September 2019²; and the final conference agreement (the Further Consolidated Appropriations Act, 2020) signed into law December 20, 2019.

In this brief, we first compare Labor–HHS–Education funding for children with funding for other programs in the four stages of the budgetary process. Next, we examine changes in specific children's programs.

Tracking appropriations bills shows the different priorities of the president, Democratic-controlled House, and Republican-controlled Senate. The final Appropriations Act (P.L. 116-94) shows the final decision on important public investments in children. Where these investments eventually end up has consequences for building the capacity of tomorrow's workforce and economy.

The Labor–HHS–Education Appropriations bill funds many programs that benefit children, such as Head Start, child care, Education for the Disadvantaged (Title I), and Special Education. The majority of its funding, however, is for priorities other than children, such as workforce and training, medical research and public health, and higher education. Therefore, overall funding increases for the Labor, HHS, and Education departments do not necessarily translate to increases in children's funding.

BOX 1

Methodology

We analyze the president's budget, the House-passed bill, the Senate Chairman's recommendation, and the final Further Consolidated Appropriations Act, focusing on funding for the Departments of Labor, Health and Human Services (HHS), and Education. Our analyses compare the proposed appropriation levels for 2020 with those enacted in 2019. All comparisons are done in real dollars (i.e., we adjust 2019 levels to 2020 levels so we are measuring the increase or decrease after adjusting for inflation). To determine funding levels, we drew on the text of each bill and summary tables prepared by the Congressional Budget Office and congressional staff.

To estimate the share of program funding spent on children, we rely on analyses conducted for the Urban Institute's *Kids' Share* series of annual reports, which track government spending on children each year and project spending 10 years into the future, assuming no changes to current law.

Figures exclude Title IV of the Labor–HHS–Education bill, which funds related agencies, and Medicaid. Medicaid is a very large mandatory program that is not driven by appropriations actions, and the children's share is estimated to change between 2019 and 2020 for demographic and programmatic reasons. Including Medicaid would increase the complexity of the analysis without providing information about appropriations actions. Other mandatory funding is included.

For this analysis, we also generally made the simplifying assumption that if 20 percent of spending on a program (e.g., low-income energy assistance) went to children under current law, then 20 percent of its spending would continue to go to children under the president's budget and appropriations bill, and thus 20 percent of any decrease or increase would be directed toward children.

Sources: ^aAuthors' analyses of Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill, 2020, Senate Report 116–000 committee print (2019); Labor, Health and Human Services, Education, Defense, State, Foreign Operations, and Energy and Water Development Appropriations Act, 2020, S. 0000 committee print (2019); Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill, 2020, House Report 116–62 (2019); Labor, Health and Human Services, Education, Defense, State, Foreign Operations, and Energy and Water Development Appropriations Act, 2020, House Report 2740 (2019) bill text placed on Senate calendar; Further Consolidated Appropriations Act, 2020, House Report 1865 (2019) final passed bill text and joint explanatory statement.

Children's Programs Increase by 1 Percent Overall

In the Further Consolidated Appropriations Act, 2020, Congress increased funding for Labor–HHS–Education programs overall, but little of the increase went to children's programs. Specifically, the act increased funding for all Labor–HHS–Education programs by 4 percent but increased funding for children by only 1 percent (figure 1). This reflected a compromise between competing proposals during the budgetary process.

The President's Budget Proposed a 12 Percent Decrease in Children's Funding

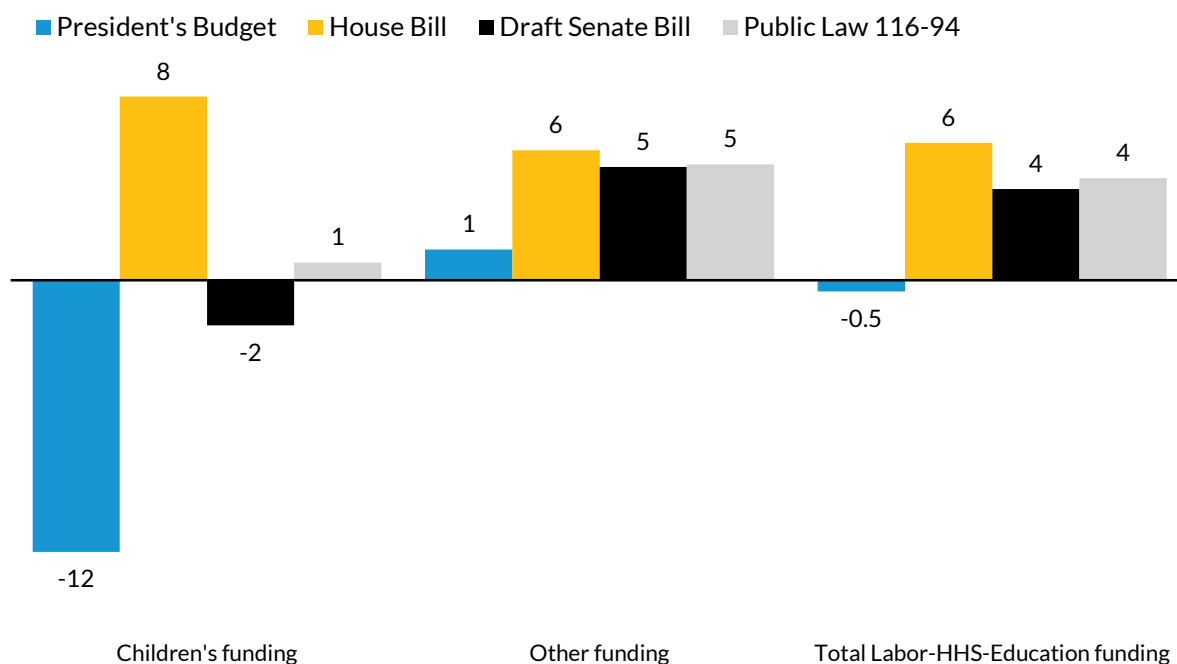
The president's budget for fiscal year 2020, transmitted to Congress on March 11, 2019, proposed reducing Labor–HHS–Education programs overall by 0.5 percent and children's programs by 12

percent. That is, children's programs were targeted for larger cuts than other programs, but Congress rejected most of the administration's proposals.

FIGURE 1

Competing Proposals for Children's Funding During the Budgetary Process

Percent change from 2019 to 2020 after adjusting for inflation



Source: Authors' analyses of Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill, 2020, Senate Report 116-000 committee print (2019); Labor, Health and Human Services, Education, Defense, State, Foreign Operations, and Energy and Water Development Appropriations Act, 2020, Senate Report 0000 committee print (2019); Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill, 2020, House Report 116-62 (2019); Labor, Health and Human Services, Education, Defense, State, Foreign Operations, and Energy and Water Development Appropriations Act, 2020, House Report 2740 (2019) bill text placed on Senate calendar; Further Consolidated Appropriations Act, 2020, Public Law 116-94 (2019).

Note: This analysis excludes Title IV, which funds related agencies, and Medicaid, a large mandatory program with spending largely driven by programmatic and demographic factors, not appropriations actions. HHS = Health and Human Services.

The House Bill Proposed an 8 Percent Increase in Children's Funding

After the House Appropriations Committee marked up and passed the Labor-HHS-Education appropriations bill in May 2019, the full House passed the bill in June as part of a larger spending package. The House-passed bill proposed an 8 percent increase in funding for children's programs relative to 2019. This boost was larger than the overall 6 percent increase for all Labor-HHS-Education programs. In this bill, children's programs were targeted for larger increases than other programs.

The Draft Senate Bill Proposed a 2 Percent Decrease in Children’s Funding

Before the Senate took up the Labor–HHS–Education bill, the House and Senate came to an agreement on the nondefense discretionary caps for the entire budget in late July 2019. This budget deal³ provided less money for nondefense discretionary programs than was assumed by the House when it acted in June, meaning that the final Labor–HHS–Education appropriation would have to be lower than assumed by the House.

In September, the Senate released a draft Labor–HHS–Education bill aligned with the newly agreed-upon caps, proposing a more modest 4 percent increase to overall funding levels. However, children’s programs did not benefit from the 4 percent increase. In fact, the Senate recommendation was to largely freeze spending levels for children’s programs, resulting in a 2 percent reduction relative to 2019, after adjusting for inflation. The Senate recommendation generally rejected both the funding increases for children proposed by the House and the reductions for children proposed in the president’s budget.

P.L. 116-94 Approved a 1 Percent Increase in Funding for Children

Similar to the Senate bill, the final House-Senate agreement signed into law rejected most of the reductions proposed in the president’s budget and increases in the House bill. The final agreement had higher funding levels than the Senate bill, particularly for children’s programs. Ultimately, Congress approved a small (1 percent) increase in Labor–HHS–Education appropriations for children, compared with a five percent increase in appropriations for other purposes. The single largest increase in the overall bill was for National Institutes of Health research, which received an increase of \$1.8 billion, or 5 percent above 2019 levels adjusted for inflation. Although children can indirectly benefit from NIH research, this program does not directly support children (see *Kids’ Share 2019*—Isaacs et al. 2019—and its related data appendix—Lauderback et al. 2019—for how children’s programs are defined).

Higher Increases for Selected Programs

A review of individual children’s programs shows that many received the same 1 percent increase as the overall funding for children in the final Appropriations Act. However, federal child care programs, Head Start, and certain education programs received higher increases (table 1).

Increased Funding for Early Care and Education

Congress boosted funding for federal child care programs by 8 percent between 2019 and 2020 (all increases are measured after adjusting for inflation). Although less than the 46 percent increase proposed by the House, it is the largest increase among children’s Labor–HHS–Education programs. Joint federal and state funding provided subsidies to help working parents with low incomes pay for child care and early education for 2 million children in 2016.⁴ The increased funding for 2020 may allow more children to be served or allow states to improve the affordability and quality of subsidized care. Congress also increased funding for Head Start by 3 percent, prioritizing early care and education over other areas.

Modest Increase for Education Programs

Among education programs, the largest increase (4 percent) was for Innovation and Improvement, which invests funds in promising and innovative programs and practices aimed at addressing education challenges. Both the president's budget and the House bill had proposed increases in this area.

Congress increased 2020 funding for most other education programs by 1 percent over 2019 levels. This includes Title I, which provides financial assistance to schools with high shares of children from families with low incomes, and Special Education, which helps states and local districts provide services to children and young people ages 21 and under with disabilities.

School Improvement programs also received a 1 percent increase, but this represented a compromise between dramatically different proposals. The president's budget proposed a sharp (87 percent) reduction in School Improvement programs, including the elimination of 21st Century Community Learning Centers, which fund after-school and summer learning programs. The House proposed maintaining and increasing funding for 21st Century Community Learning Centers, with an overall increase in School Improvement programs of 16 percent. In the end, Congress maintained 21st Century Community Learning Centers but increased their funding by less than inflation.

Many Other Programs Fail to Keep Pace with Inflation

In real terms, funding fell slightly for the Low-Income Home Energy and Assistance Program (LIHEAP), the Social Services Block Grant (SSBG) program, and Job Corps. However, Congress rejected the president's proposal to eliminate LIHEAP and SSBG and sharply reduce Job Corps.

Funding remained at the 2019 levels for the Unaccompanied Alien Children program (a 2 percent cut in real terms). Congress rejected the House proposal to increase funding by 41 percent for this program, which provides housing and care for children in immigration custody.

Funding levels for the Title V Maternal and Child Health Services Block Grant Program and most other health programs also failed to keep pace with inflation. (As explained in the methodology box, this analysis excludes Medicaid.)

All four versions of Labor-HHS-Education appropriations for 2020 assume similar declines for adoption assistance (6 percent), foster care (3 percent), and child support enforcement (3 percent). Spending for these mandatory programs is governed by programmatic rules and the number of children who qualify for services. Thus, the projected declines likely reflect falling need because of changing demographic conditions or, in some cases, programmatic decisions already made through multiyear authorizations.

TABLE 1

Funding in the Labor, Health and Human Services, and Education Appropriations Bill ^a*Budget authority in millions of 2020 dollars, unless otherwise noted*

Category and program	Enacted, FY 2019	President's Budget		House Bill		Draft Senate Bill		Public Law 116-94	
		FY 2020 Funding	Change from FY 2019 (%)	FY 2020 Funding	Change from FY 2019 (%)	FY 2020 Funding	Change from FY 2019 (%)	FY 2020 Funding	Change from FY 2019 (%)
Category and program									
<i>Education funding for children</i>									
Education for the Disadvantaged (Title I)	16,876	16,377	-3	17,564	4	16,544	-2	16,997	1
Special Education	13,739	13,451	-2	14,524	6	13,473	-2	13,885	1
School Improvement	5,352	676	-87	6,016	12	5,306	-1	5,405	1
Impact Aid	1,475	1,372	-7	1,498	2	1,471	0	1,486	1
Innovation and Improvement	1,056	1,107	5	1,224	16	1,056	0	1,104	4
Other education funding for children	2,454	2,307	-6	2,843	16	2,403	-2	2,497	2
<i>Human service funding for children</i>									
Head Start	10,265	10,063	-2	11,563	13	10,113	-1	10,613	3
Child Care and Development Block Grant	5,382	5,276	-2	7,676	43	5,301	-2	5,826	8
Foster care [^]	5,382	5,200	-3	5,200	-3	5,200	-3	5,200	-3
Child support enforcement [^]	4,374	4,256	-3	4,256	-3	4,256	-3	4,256	-3
Adoption assistance [^]	3,124	2,931	-6	2,931	-6	2,931	-6	2,931	-6
Unaccompanied Alien Children	1,329	1,303	-2	1,878	41	1,303	-2	1,303	-2
Social Services Block Grant [^]	992	0	-100	973	-2	973	-2	973	-2
LIHEAP	764	0	-100	780	2	749	-2	759	-1
Other human services funding for children	1,980	1,352	-32	2,120	7	1,949	-2	2,012	2
<i>Health funding for children (excluding Medicaid)^a</i>									
Vaccines for children [^]	4,821	4,761	-1	4,761	-1	4,761	-1	4,761	-1
Immunization and infectious diseases ^{^^}	567	485	-15	592	4	556	-2	560	-1
Maternal and child health block grant	535	511	-4	549	3	525	-2	532	-1
Other health funding for children ^a	625	254	-59	654	5	631	1	633	1
<i>Labor funding for children</i>									
Job Corps	779	451	-42	830	7	764	-2	775	-1
Other labor funding for children	512	491	-4	551	8	502	-2	511	0
<i>Total funding for Children^a</i>	82,387	72,626	-12	88,984	8	80,767	-2	83,021	1
<i>Other, nonchildren's funding^a</i>	512,023	518,897	1	541,049	6	537,302	5	537,884	5
Total funding^a	635,843	628,860	-1.1	675,347	6	658,584	4	662,551	4

Sources: Authors' analyses of Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill, 2020, Senate Report 116-000 committee print (2019); Labor, Health and Human Services, Education, Defense, State, Foreign Operations, and Energy and Water Development Appropriations Act, 2020, Senate Report 0000 committee print (2019); Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill, 2020, House Report 116-62 (2019); Labor, Health and Human Services, Education, Defense, State, Foreign Operations, and Energy and Water Development Appropriations Act, 2020, House Report 2740 (2019) bill text placed on Senate calendar; Further Consolidated Appropriations Act, 2020, Public Law 116-94 (2019).

^a Because the large amount of Medicaid funding dominates findings on health spending and substantially affects the overall bill, funding for this program is excluded from the analysis (including exclusion from the numbers on children and nonchildren's health funding as well as total bill funding).

[^] Mandatory program for which funding levels are most often not appropriated annually.

^{^^} Includes both mandatory and discretionary programs.

Discussion

As in previous years, Congress decided to amend the caps on defense and nondefense discretionary spending so that it could increase funding for programs subject to appropriations. With this bipartisan agreement, Congress was able to increase funding for Labor–HHS–Education programs by 4 percent after inflation. Children’s programs benefited from this increase but not as much as other programs: the increase in children’s programs was only 1 percent, compared with 5 percent for programs not targeted at children.

The Labor–HHS–Education appropriations fund programs critical to children’s well-being today and their potential to drive the workforce and economy of tomorrow. These programs include education, training, early care and education, human services, and health programs other than Medicaid.

Yet these programs represented only 18 percent of all federal outlays on children in 2019. Many larger programs for children, such as refundable tax credits, Medicaid, Social Security survivors’ benefits, and children’s portion of the Supplemental Nutrition Assistance Program (SNAP) are not set in appropriations bills but through changes in tax provisions and mandatory programs.

For a broader perspective, *Kids’ Share 2019* tracks children’s expenditures for all federal programs and taxes from 1960 to 2019, spending for selected state and local programs, and projected spending over the next decade under current law (Isaacs et al. 2019). The current law projections from *Kids’ Share* suggest that the patterns seen in the Labor–HHS–Education Act is likely to continue in the budget as a whole. The federal government is on track to increase spending overall, but children get only a small share of the increase. In fact, when looking at the budget as a whole, including entitlement programs and those subject to appropriations, the imbalance is stark. Looking forward, children’s programs are projected to receive only 3 cents of every dollar of the projected \$1.5 trillion increase in federal spending over the next decade (Isaacs et al. 2019).

However, current law projections are not destiny; Congress revises and passes new legislation every year, including setting annual funding levels for discretionary programs through the appropriations process. Appropriations bills are one way policymakers can set priorities; tax bills, broad budget agreements, and changes to underlying program rules for mandatory programs also affect current and future spending. This and other *Kids’ Share* analyses aim to elevate the debate on budget issues by focusing on how these decisions affect public investments in our nation’s children.

Notes

- ¹ Julia B. Isaacs, Cary Lou, and Eleanor Lauderback, “How Will Children Fare in the Markup of the Senate Labor–HHS–Education Appropriations Bill?,” *Urban Wire* (blog), Urban Institute, September 9, 2019, <https://www.urban.org/urban-wire/how-will-children-fare-markup-senate-labor-hhs-education-appropriations-bill>.

- ² Cary Lou, Julia B. Isaacs, and Eleanor Lauderback, “Draft Senate Labor-HHS-Education Bill Proposes a 2 Percent Reduction in Spending on Children,” *Urban Wire* (blog), Urban Institute, October 11, 2019, <https://www.urban.org/urban-wire/draft-senate-labor-hhs-education-appropriations-bill-proposes-2-percent-reduction-spending-children>.
- ³ Jennifer Shutt, “Trump, Democrats Split Differences in Two-Year Budget Deal,” *Roll Call*, July 22, 2019, <https://www.rollcall.com/news/congress/negotiators-close-two-year-spending-debt-limit-accord>.
- ⁴ Nina Chien, “Factsheet: Estimates of Child Care Eligibility & Receipt for Fiscal Year 2016,” Office of the Assistant Secretary for Planning and Evaluation, US Department of Health and Human Services, 2019, <https://aspe.hhs.gov/pdf-report/factsheet-estimates-child-care-eligibility-receipt-fiscal-year-2016>.

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Acknowledgments

This brief was funded by the Peter G. Peterson Foundation. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

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