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DEFENSE, LABOR-HHS-EDUCATION MINIBUS CONFERENCE REPORT FILED

Package Includes Largest Pay Raise for Troops in Nearly a Decade, Boost in NIH & Opioid Crisis Funds

WASHINGTON, D.C. – The Senate Appropriations Committee today announced that a final conference agreement has been reached on the second of three Fiscal Year 2019 (FY2019) minibus appropriations packages. The package, H.R. 6157, includes FY2019 Department of Defense and Labor, Health and Human Services, Education, and Related Agencies funding bills. The conference report to accompany H.R. 6157 will be made available online. The Senate is expected to vote on the conference report next week.

"The Defense and Labor-HHS bills account for the lion's share of discretionary spending. Not only will this package boost funding for medical research and the opioid epidemic, but it will increase dollars for America's military and provide our troops with the largest pay raise in nearly a decade. This is truly historic," said **Senate Appropriations Committee Chairman Richard Shelby (R-Ala.)**. "I am pleased that we resolved our remaining differences on this package by following the framework of a restored regular order appropriations process. I want to thank my many colleagues who worked hard to find the proper balance as we completed this significant bill. We are making real progress here. If we continue on this path, I am confident we will get this package to the President's desk by October 1."

"The Labor-HHS bill, which was determined through regular order, focuses limited resources on programs aimed at addressing some of the biggest challenges facing our nation," said **Senator Roy Blunt (R-Mo.)**, **Chairman of the Labor, Health and Human Services, Education, and Related Agencies Appropriations Subcommittee**. "It includes the fourth consecutive funding increase for the National Institutes of Health, which will pave the way for new medical breakthroughs and lower health care costs over the long term. The bill increases funding to combat the opioid epidemic and gives states the flexibility to fund programs that best fit their needs. With nearly seven million job openings nationwide, the bill invests in workforce development programs that will help Americans get the skills and training they need to succeed

in a 21st Century economy. Finally, this measure supports students at every stage in their academic careers, whether it's a child stepping into a classroom for the first time or a first generation college student pursuing a degree. Working together in a bipartisan way, we are on track, for the first time in 22 years, to get the Labor-HHS bill to the president's desk by the end of the fiscal year. I urge all of our colleagues to join us in getting this bill across the finish line."

The final conference report provides \$674.4 billion for our Department of Defense, which is an increase of \$19.8 billion above the FY2018 enacted level. The measure provides an outline to ensure our military leaders have the necessary resources to meet current and future threats to U.S. national security. The Labor, Health and Human Services, Education, and Related Agencies division of the bill provides \$178.1 billion in discretionary funding for the Departments of Labor, Health and Human Services, and Education and Related Agencies to continue investments in critical medical research, opioid abuse prevention and treatment, and education.

Department of Defense

The **Department of Defense** division of the bill includes \$674.4 billion, which is an increase of \$19.8 billion above the FY2018 enacted level. The conference agreement includes \$606.5 billion in base funding and \$67.9 billion for Overseas Contingency Operations (OCO) funding. The measure provides an outline to ensure our military leaders have the necessary resources to meet current and future threats to U.S. national security. We must approve defense appropriations legislation to fund for military readiness, procurement, and testing — all of which are required to keep U.S. military forces the best trained, equipped, prepared, and strongest force in the world.

Bill Highlights

Military Personnel: \$143.2 billion in base and OCO funding for military personnel accounts in FY 2019, supporting an active duty end strength of 1,338,100 and a Selected Reserve end strength of 817,700, an increase of 16,400 over FY 2018 levels. It also supports a 2.6 percent pay raise for U.S. servicemembers, the largest in almost a decade.

Readiness: \$243.2 billion in base and OCO funding for operation and maintenance accounts to improve full spectrum warfighter readiness. The recommended funding level makes significant investments in training, maintenance, and modernization to restore near-term warfighting readiness while setting the conditions for future, sustained readiness. The bill also supports increased funding above the President's request for multiple programs across the military services including: \$302 million for facility sustainment, restoration and modernization; \$48 million for enhanced protective equipment such as helmets and ear protection; \$26 million for training range upgrades; and \$330 million for various Defense-wide programs such as impact aid for schools, innovative readiness training, and multiple initiatives included in the National Defense Authorization Act for FY 2019. The conference agreement also provides an additional \$750 million to mitigate higher than anticipated fuel costs.

Shipbuilding: \$24.2 billion for Navy shipbuilding, including \$2.3 billion in additional funding not requested by the President for high priority shipbuilding and industrial base programs. In total, the bill funds the construction of 13 new battle force ships: two Virginia class submarines; three DDG-51 destroyers; three Littoral Combat Ships; one Expeditionary Sea Base; one Expeditionary Fast Transport; two TAO Fleet Oilers; and one Towing, Salvage, and Rescue Ship. Additionally, the bill makes important investments to accelerate future shipbuilding priorities such as: \$350 million in advanced procurement for the next LPD amphibious ship; \$350 million in advance procurement for the LHA 9 amphibious ship; \$250 million in advance procurement to purchase an additional DDG-51 in Fiscal Year 2020; and \$225 million for submarine industrial base expansion to increase capacity and create multiple suppliers for critical submarine components.

Aviation programs: \$43.0 billion for the procurement of military aircraft, including \$4.8 billion in funding not requested by the President to address high priority programs across the services, such as: \$1.7 billion for 16 additional F-35 aircraft – 8 F-35A conventional takeoff and landing variants, 2 F-35B short takeoff/vertical landing variants, and 6 F-35C carrier variants; \$640 million for 8 additional Air National Guard C-130J aircraft; \$468 million for 6 additional Navy and Marine Corps V-22 aircraft; \$340 million for 2 additional Navy E-2D aircraft; \$168 million for 6 additional AH-64E Apache aircraft; \$156 million for 8 additional UH-60 Blackhawk Army National Guard helicopters; and \$100 million for the O/A-X Light Attack Aircraft program.

Missile Defense: \$10.3 billion, for the Missile Defense Agency (MDA), including \$1.1 billion in additional funding not requested by the President to support urgent MDA unfunded priorities and emergent threats. The additional funds include \$285 million for U.S. Forces Korea Joint Emergent Operational Need; \$126 million for enhanced discrimination capabilities; \$85 million to support laser scaling for boost phase intercept; \$73 million for missile defense tracking system; and \$46 million for hypersonic missile defense efforts. The conference agreement also fully funds the President's budget request of \$500 million for Israeli Cooperative Programs, the same amount requested by the Government of Israel.

Munitions: \$18.3 billion for Missile and Ammunition programs, including \$380 million in additional funding not requested by the President for high priority munitions programs. The bill supports the Department's efforts to expand industry capacity for munitions programs to meet replenishment goals and increased requirements from the National Defense Strategy. Initiatives include an additional \$125 million to expand JASSM (Air Force and Navy) and LRASM (Navy) maximum production rates and an additional \$57 million for the Army's industrial facilities to increase production capacity.

Defense Health: \$34.4 billion, \$278 million above the request, for the Defense Health Program, which provides medical services for military personnel and their families, continues advancements in medical research, and implements the next generation of electronic health records. This amount includes an additional \$1.5 billion for defense medical research efforts, including \$350 million for the competitively awarded peer-reviewed medical research program and \$299 million to advance DoD medical research priorities.

National Guard and Reserve Equipment: \$1.3 billion for the National Guard and Reserve Equipment Account to modernize our reserve forces and ensure full interoperability with the active duty force. The bill also includes \$120 million for Army Guard and Reserve HMMWV Ambulances.

Additional FY2019 Initiatives

Basic Research Investments: \$268 million in additional funding not requested by the President, for basic (non-medical) research for the Army, Navy, Air Force, and DoD.

Test and Evaluation Infrastructure: \$326 million in additional funding not requested by the President to increase testing range space and availability and ensure continued independent assessments of weapon system capabilities.

Hypersonics: \$617 million in additional funding not requested by the President to support and accelerate offensive and defensive hypersonics research and prototyping efforts.

Directed Energy: \$184 million in additional funding not requested by the President to further develop directed energy technology and transition these activities to both offensive and defensive capabilities in the future.

Microelectronics: \$397 million in additional funding not requested by the President to ensure access to trusted microelectronics and develop manufacturing processes for next generation chips.

Artificial Intelligence (AI): \$147 million in additional funding not requested by the President to accelerate the pursuit of state of the art, AI systems that can be rapidly adapted to the warfighting mission needs of the Department.

Cyber: \$306 million in additional funding not requested by the President to expand and accelerate cyber research across the DoD.

Space: \$417 million in additional funding not requested by the President to develop enhanced offensive and defensive space capabilities.

Labor, Health and Human Services, Education, and Related Agencies

The **Labor, Health and Human Services, Education, and Related Agencies** division of the bill provides \$178.1 billion in discretionary funding for the Departments of Labor, Health and Human Services, and Education and Related Agencies to continue investments in critical medical research, opioid abuse prevention and treatment, and education. The bill includes \$39.1 billion for the National Institutes of Health (NIH), an increase of \$2 billion, and \$3.8 billion to combat the opioid crisis, an increase of \$206 million.

Bill Highlights

National Institutes of Health – \$2 billion increase. Since Republicans took back the Senate starting with the FY2016 appropriations cycle, the Committee has increased funding for the NIH by \$9 billion or more than 30 percent.

Opioid Funding – \$3.8 billion, an increase of \$206 million above FY2018. This level includes \$1.5 billion for the State Opioid Response grant in SAMHSA, replacing \$500 million in sunsetting 21st Century CURES funds, and maintains 15 percent set-aside to the most impacted states and \$50 million for Tribes.

Elementary and Secondary Education – The bill prioritizes formula grants that provide the most flexibility for states and school districts to decide how to best use limited resources to meet the educational needs of students and families. The bill includes a combined \$299 million increase for: Title I Grants to school districts; IDEA/Special Education State grants; Student Support and Academic Enrichment Grants; and Impact Aid.

College Affordability and Completion – Includes a \$100 increase, or 1.6 percent, for the maximum Pell grant award, to \$6,195 for the 2018-19 academic year and continues support for Year-Round Pell; increases funding for TRIO and Career and Technical Education; and continues significant increases provided last year for campus-based aid programs, Public Service Loan Forgiveness, and other higher education programs.

Apprenticeship Opportunities – \$160 million, an increase of \$15 million, for training programs utilizing the flexible and effective apprenticeship model.

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