

From: Alex Currie, VUMC Office of Federal Relations
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Re: FY 18 Federal Appropriations Update
Date: September 11, 2017

Colleagues,
Please let me know if you have questions about the funding outlook for individual federal accounts or programs for FY 18 based upon current congressional action. The information below is far from exhaustive.

Regards,
Alex Currie, Director of Federal Relations

- I. Summary
- II. Continuing Resolution (CR) —H.R. 601
- III. House Appropriations Status —H.R. 3354
- IV. Senate Appropriations Status —S. 771
- V. Defense Health Research —H.R. 2810

I. Summary

Congress has returned from its August recess to a full workload, which includes considering FY 18 funding decisions to keep the government running, raising the national debt ceiling, and addressing emergency funding needs for hurricane relief activities, among other items.

On September 6, President Trump struck a deal with congressional Democrats, at the surprise of congressional Republicans, to move forward on a legislative package that would combine a Continuing Resolution (CR) to fund the government through December 8, a short-term debt limit increase over the same time period, and an emergency supplemental for hurricane disaster relief. Congressional Republican leadership previously expressed opposition to such a short-term debt limit increase.

The Senate and the House passed a legislative package (H.R.601) based upon that deal and sent it to President Trump. H.R. 601 was signed into law on September 8. In a major win for the research community, the bill contains a so-called “anomaly” or “policy rider” to block the Administration from reducing facilities and administrative cost reimbursement on NIH grants, a proposal that was in the President’s FY 18 budget request.

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Meanwhile, the House and Senate have also been working on elements of a full FY 18 funding package, continuing committee markups and floor consideration on the 12 individual annual appropriations bills. That work will continue and be the basis of either an omnibus, minibuses or a longer-term CR by close of calendar year.

II. Continuing Resolution

Continuing Resolution:

- H.R. 601 funds the vast majority of federal programs at current FY 17 levels (reduced by 0.6791 percent) through December 8, 2017.
- In a huge win for the research community, the CR includes language to prohibit the Department of Health and Human Services from capping National Institutes of Health's facilities and administrative costs.
- The legislation also extends the National Flood Insurance Program through December 8.

Hurricane Supplemental:

- H.R. 601 provides \$15.25 billion in emergency funding for FEMA, the Small Business Administration and the Department Housing and Urban Development for recovery efforts following Harvey and Irma.

Debt Limit:

- H.R. 601 extends the debt limit through December 8, 2017.

Senate vote:

- The Senate approved H.R. 601 by a vote of 80-17.
- Senator Alexander voted yea.
- Senator Corker voted nay.

House vote:

- The House approved H.R. 601 by a vote of 316-90.
- Reps. Cohen, Cooper, Fleischmann, and Roe voted yea.
- Reps. Black, Blackburn, DesJarlais, Duncan, and Kustoff voted nay.

III. House Appropriations Status

For FY 18, the House has packaged its versions of the 12 appropriations bills into two large bills called minibuses. The first, H.R. 3219, included the Defense, Legislative, Mil Con-VA, and Energy-Water appropriations bills and was passed by the House on July 27, 2017. The remaining eight bills (Agriculture, Commerce-Justice-Science, Financial Services, Homeland Security, Interior, Labor-HHS-Education, State-Foreign Ops, and Transportation-HUD) have been combined into H.R. 3354. The House is scheduled to complete consideration of H.R. 3354 the week of September 11.

H.R. 3354, House FY 18 Labor-HHS-Education bill

Full bill text, and accompanying committee reports: <https://rules.house.gov/bill/115/hr-3354>

Labor-HHS-Ed committee report: <https://www.gpo.gov/fdsys/pkg/CRPT-115hrpt244/pdf/CRPT-115hrpt244.pdf>

National Institutes of Health—\$35.2 billion, a \$1.1 billion increase over FY17 and \$8.6 billion above the President’s budget request.

- All of Us research initiative (PMI): \$400 million, a \$80 million increase
- Firewall on F&A: “the NIH shall continue to apply the provisions relating to indirect costs...”
- Alzheimer’s disease research: \$1.8 billion, a \$400 million increase
- BRAIN Initiative: \$336 million, a \$76 million increase
- Cancer Moonshot: \$300 million
- CTSA Program: \$526 million, a \$10 million increase
- Regenerative medicine research: \$10 million, an \$8 million increase
- Gabriella Miller “Kids First” pediatric cancer research initiative: \$12.6 million for the
- IDeA program: \$374 million, a \$40 million increase
- Combating Antibiotic-Resistant Bacteria: \$493 million, a \$30 million increase
- Fogarty International Center: 73.4 billion, an increase of \$3 billion.
 - You may recall the Trump Administration proposed eliminating Fogarty and shifting a much smaller amount of remaining funding/programming for international projects into the Office of the Director.
- Retaining Executive Salary Level II: You may recall the Trump budget proposed dropping the salary cap for grants from Executive Level II (\$187,000) to Level V (\$151,700 for 2017). The House bill keeps the current salary level cap.

AHRQ—Discretionary funding of \$300 million, \$24 million below FY 17 but \$300 million more than the Administration’s request.

CDC—Total program funding level of \$7.001 billion, \$163 million below FY 17 funding.

- Decreases from FY 17:
 - National Institute of Occupation Safety and Health: -\$10M
 - National Center for Environmental Health : -\$21 M (including elimination of the climate and health program)
 - Public Health and Scientific Services: -\$10 M
 - Chronic Disease Prevention and Health Promotion: -\$74 M (including -\$55 M for tobacco)
 - Immunization and Respiratory Diseases: -\$50 M
 - Emerging and Zoonotic Infectious Diseases: -\$33.4 M
 - CDC-wide activities: -\$10 M
- Increase from FY 17:
 - Public Health Preparedness and Response: +\$45 M

IV. Senate Appropriations Status

The Senate is behind the House in moving individual appropriations bills through committee and to the floor. Last week, on September 7, the Senate Appropriations Committee approved its version of the FY 18 Labor-HHS-Education bill. In large part, this bill was cause for celebration in the research community, with another \$2 billion annual increase proposed for the NIH budget.

While there is no immediate plans to take the bill to the Senate floor, the Senate mark will nonetheless be extremely important in final negotiations on an expected omnibus spending at the end of the year.

S. 771, the Senate FY 18 Labor-HHS-Education bill

The Senate Labor-HHS-Education text and committee report:

<https://www.appropriations.senate.gov/news/majority/committee-approves-fy2018-labor-hhs-and-education-appropriations-bill>

National Institutes of Health— \$36.1 billion, a \$2 billion increase over FY2017: \$1.8 billion for •

- \$1.8 billion for Alzheimer’s disease research, a \$414 million increase;
- \$400 million for the BRAIN Initiative to map the human brain, a \$140 million increase;
- \$344.3 million for the Institutional Development Award, a \$11 million increase;
- \$290 million for the All of US precision medicine study, a \$60 million increase;
- \$80 million for the National Cancer Institute’s precision medicine program, a \$10 million increase;
- \$513 million to Combat Antibiotic Resistant Bacteria, a \$50 million increase;
- \$533.1 million for the Clinical and Translational Science Award, a \$17 million increase;
- \$12.6 million for the Gabriella Miller Kids First Research Act;
- Increases to every Institute and Center to continue investments in innovative research that will advance fundamental knowledge and speed the development of new therapies, diagnostics, and preventive measures to improve the health of all Americans.
- Prohibition on capping Facilities & Administrative costs at 10 percent.
- Retaining Executive Salary Level II: You may recall the Trump budget proposed dropping the salary cap for grants from Executive Level II (\$187,000) to Level V (\$151,700 for 2017). The Senate bill keeps the current salary level cap.
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AHRQ—Discretionary funding of \$324 million, equal to FY 17 funding.

CDC—Total program funding level of \$7.12 billion, around \$45 million below FY 17.

Fighting Opioid Abuse – \$816 million, a \$665 million or 440 percent increase FY 16, for programs to combat opioid abuse at the CDC, the Substance Abuse and Mental Health Services Administration (SAMHSA), and the Health Resources and Services Administration (HRSA).

- The bill continues \$126 million for CDC opioid prevention programs;
- \$50 million for Community Health Centers treatment and prevention;
- The bill maintains funding for previously funded SAMHSA opioid prevention and treatment programs;
- \$15 million for a new SAMHSA opioid prevention program for community prevention;
- \$500 million in State opioid abuse crisis grants authorized in 21st Century Cures Act (CURES);
- \$1.9 billion to continue the Substance Abuse Prevention and Treatment Block Grant, \$94 million in mandatory funds to Community Health Centers, and an additional \$22.6 million to the NIH National Institute on Drug Abuse.

Public Health Preparedness and Response – the bill maintains FY 17 levels for the following:

- **Biomedical Advanced Research and Development Authority (BARDA)** – \$511.7 million for advanced research and development of medical countermeasures for national preparedness efforts.
- **Project BioShield** – \$510 million to enhance national preparedness activities by procuring medical countermeasures against chemical, biological, radiological, and nuclear threats.
- **Public Health Emergency Preparedness (PHEP)** – \$660 million to allow States to prepare, respond, and recover from emerging threats such as natural disasters, disease outbreaks, and chemical, biological, radiological, and nuclear threats.
- **Strategic National Stockpile (SNS)** – \$575 million to allow the CDC to maintain and replenish expiring medical countermeasures in the SNS.

Poison Control Centers (PCCs) – \$19.8 million, a \$1 million increase FY 17.

Maternal and Child Depression – \$5 million for a new Screening and Treatment for Maternal Depression program as authorized in CURES.

Immunization Program – \$606.8 million, level with FY 17.

Mental Health - \$1.2 billion for mental health programs, level with FY 17. The bill rejects the \$269 million in cuts to mental health proposed in the budget request.

V. **Defense Health Research**

In addition to the annual appropriations measures, we are tracking a number of other bills that could have implications for federal research and public health funding. For example, the National Defense Authorization Act reauthorization (H.R. 2810) has been approved by the House and awaits Senate floor consideration.

Currently, there is language in that bill that could restrict certain areas of biomedical research in Department of Defense health research programs, including the Congressionally Designated Medical Research Programs, or CDMRP portfolio.