



FY 2014 Appropriations Update: Senate Appropriations Committee Approves Labor, Health and Human Services, Education, and Related Agencies Bill

Lewis-Burke Associates LLC – July 15, 2013

On July 11, the Senate Appropriations Committee approved by a vote of 16-14 the fiscal year (FY) 2014 Labor, Health and Human Services, Education, and Related Agencies Appropriations bill, which would provide funding for the Department of Health and Human Services (HHS), the Department of Education (ED), and the National Institutes of Health (NIH), among other agencies. No Republicans on the Committee voted in favor of the bill due to opposition to programs that support the implementation of the *Patient Protection and Affordable Care Act (ACA)*. The bill totals \$164.3 billion, which is an increase of about \$7.8 billion above the FY 2013 enacted level. Please note that the FY 2013 enacted level does not include the effects of the sequester.

The funding recommendations in the bill reflect the decision of the Senate Democratic majority to write the FY 2014 appropriations bills to an overall discretionary total of \$1.058 trillion. This is the level proposed by the President in his budget request, which assumes the sequester is overturned and the White House and Congress reach a long-term deficit reduction agreement. However, the House funding allocation for the Labor-HHS-Education appropriations bill assumes the sequester will stay in place, creating a \$43 billion gap between the overall funding levels for the Senate and House versions of the bill. At this time, it is unclear when the House Labor-HHS-Education Appropriations Subcommittee will consider its version of the bill.

Department of Health and Human Services (HHS)

National Institutes of Health (NIH)

For NIH, the bill includes \$30.955 billion, a \$307 million (1 percent) increase above the FY 2013 pre-sequestration level and \$376 million below the President's FY 2014 request. Senate Labor-HHS-Education Appropriations Ranking Member Jerry Moran (R-KS) offered an amendment to increase the NIH budget by \$1.4 billion, which would have been offset by cutting funds for the implementation of ACA, but it was rejected by a party-line vote.

The bill includes \$40 million for the BRAIN Initiative and commends NIH for engaging in the multi-agency effort with the National Science Foundation and the Defense Advanced Research Projects Agency, as well as private sector partners. The Committee notes that funding for the initiative would be pooled from several NIH institutes and centers (ICs) and the Office of the Director. The report also states that in supporting this initial investment, the Committee awaits more detailed budget projections for future years.

The bill also includes an increase of \$80 million for the National Institute on Aging (NIA) to lead Alzheimer's disease research. Language in the report accompanying the bill states that while the Committee does not recommend a specific amount for Alzheimer's research, it expects a significant portion of the recommended increase for NIA to be directed to this area.

Additionally, the bill recommends \$276 million for the Institutional Development Award (IDeA) program, rejecting the \$50 million cut to the program proposed in the President's FY 2014 budget request. The report language urges NIH to reexamine the eligibility criteria for IDeA as some IDeA-eligible states have higher success rates than those of non-IDeA states. The Committee directs NIH to provide a report to Congress within 120 days of the release of a forthcoming National Academies report on IDeA and other Experimental Program to Stimulate Competitive Research (EPSCoR) programs.

Within the National Center for Advancing Translational Sciences (NCATS), the bill would provide \$50 million for the Cures Acceleration Network (CAN), which received \$10 million in FY 2013, not accounting for sequestration cuts. The Committee does not recommend a specific amount for the Clinical and Translational Science Awards (CTSA) and endorses the recent Institute of Medicine report, noting that NCATS should help the CTSA function more as a network to realize the program's full potential.

In report language, the Committee expresses concern that the Administration's proposed consolidation of government-wide STEM education activities would affect the quality of the Science Education and Partnership Awards (SEPA) program within the NIH Office of the Director and other smaller STEM programs throughout NIH. The Committee directs NIH to continue funding these programs in FY 2014 and to halt the transfer of the programs to the Department of Education. NIH has already begun to implement the consolidation by communicating to NIH STEM education grantees that their programs would be cancelled.

The Committee would continue current policy by maintaining the Executive Level II Salary Cap, which was recommended in the President's FY 2014 budget request. Also, the Committee rejects the Administration's proposed increase for HHS program evaluation from 2.5 to 3 percent. This would have resulted in the transfer of approximately \$147 million from NIH's budget to fund HHS evaluation activities.

Health Resources and Services Administration (HRSA)

Within HRSA, the bill includes \$285.1 million for Title VII health professions programs, which includes increases for primary care training and pediatric loan repayment. The Senate bill would restore funding for the Area Health Education Centers (AHECs), which were again slated for elimination in the President's FY 2014 budget request, by providing the FY 2013 pre-sequester level of \$30 million. The Senate bill would also provide almost \$3.9 million for mental and behavioral health programs at the Bureau of Health Professions, which represents a \$1 million increase over the FY 2013 pre-sequester level. The Senate bill recommends \$251 million for Title VIII nursing programs, which is a \$20 million increase above FY 2013. This level was also supported by much of the academic nursing community.

Centers for Disease Control and Prevention (CDC)

Of the \$7.02 billion recommended for CDC, the bill includes \$27.87 million for the network of Prevention Research Centers, which is a \$3.54 million increase above the FY 2013 pre-sequestration level. The Committee also recommends \$4.95 million for fall prevention interventions, which would include \$3 million of new funding to support coordination with the Administration for Community Living. The intention of the Committee is for this funding to support research, evaluation, and dissemination for the most effective fall prevention interventions. The Committee also recommends \$24.23 million for the National Institute for Occupational Safety and Health (NIOSH) Education and Research Centers program, which was eliminated in the President's budget request for FY 2014.

Mental Health Initiatives

Within the \$3.5 billion recommended for the Substance Abuse and Mental Health Services Administration (SAMHSA), the Senate bill largely endorses new proposals by the Obama Administration for increasing access to mental health services. This includes \$119 million in new funding to address workforce shortages, train people how to identify and respond to mental illness, and ensure children and young adults have access to mental health services.

Of particular note is the inclusion of \$35 million (the amount requested by the Administration) to fund Mental and Behavioral Health Education and Training grants to increase capacity in the mental health workforce, specifically social workers, psychologists, and marriage and family therapists. This program was previously administered by HRSA and received funding only once in FY 2012 at a level of \$10 million. If appropriated, funding would be used to provide stipends to master's students in social work, psychology, and marriage and family therapy programs.

Other mental health initiatives proposed by the Administration and supported in the Senate bill include \$15 million for Mental Health First Aid programs (equal to the President's request), which would help individuals identify and address signs of mental illness; \$40 million for Project Aware State Grants (\$55 million was requested by the Administration), which would be used to improve mental health awareness, school safety, and referrals to services; and \$5 million (equal to the President's request) to support minority doctoral students to ensure the mental health workforce is diverse and meets the mental health needs of ethnic minority populations.

Department of Education (ED)

Student Financial Aid

The Senate bill would provide the maximum Pell Grant at \$5,785 in academic year 2014-2015, an increase of \$140 over FY 2013 due to an increase in mandatory funding for the program. The bill includes \$733.1 million for the Supplemental Education Opportunity Grant (SEOG) program (level with FY 2013 funding) and includes \$1.02 billion for the Federal Work Study (FWS) program, a slight increase over FY 2013. The Committee rejects the budget request to direct new FWS funds to an enhanced partnership program between employers and institutions of higher education. The Committee also includes language supporting the Administration's proposal to tie the SEOG and FWS allocation formula to institutions that enroll and graduate a high number of Pell-eligible students and have comparatively low net tuition and fees.

The Committee report includes language that commends ED for working with the Department of Defense (DOD) and the Veterans Administration (VA) to create a uniform student complaint system for students receiving federal student support. The Senate bill directs ED to expand the scope of this system and allow students who do not receive federal student aid to submit complaints. The bill also includes language that would prohibit institutions of higher education from using federal student aid funding for marketing activities. Both of these initiatives have been a priority for Senate Labor-HHS-Education Chairman Tom Harkin (D-IA) who has held several hearings and investigations into practices at for-profit institutions of higher education.

Higher Education Programs

The Senate bill includes \$100.2 million for competitive institutional support grants to Hispanic-Serving Institutions and \$8.9 million for the Promoting Postbaccalaureate Opportunities for Hispanic Americans program. The bill also includes \$80.9 million for the Title VI International Education and Foreign

Language Studies programs. This is level with the President's request and a \$7 million increase over FY 2013. TRIO would receive \$849.9 million, an increase of \$10 million over FY 2013, and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) would receive \$307.2 million, an increase of \$5 million over FY 2013. The bill also includes \$30.8 million to support the Graduate Assistance in Areas of National Need (GAANN) and Javits Fellowship programs. In 2012, Congress consolidated the two programs, and the bill includes language that allows GAANN funds to be awarded as continuation costs for the Javits fellowship awards.

Within the Higher Education account, the bill directs \$1 million to the National Academy of Sciences to conduct a study on the "impacts of federal regulations and reporting requirements on institutions of higher education."

Science, Technology, Engineering, and Mathematics (STEM)

The Senate Committee rejected the Administration's proposal to expand STEM activities and combine existing programs within ED. Instead, the Committee includes \$55 million within the Fund for the Improvement of Education for the proposed new STEM Innovation Networks. This program would make grants to Local Education Agencies (LEAs), groups of LEAs, or partnerships between LEAs and institutions of higher education to "transform STEM teaching and learning."

The Senate bill includes \$17 million for the Improving Mathematics Achievement and Transition to College from High School (IMATCH) program, a joint initiative between ED and NSF. Under this program, grants would be made to develop, evaluate, and scale-up effective practices that increase student achievement in mathematics during the last two years of high school through the first two years of college.

Race to the Top, I3, Promise Neighborhoods, and ARPA-ED

For Race to the Top, the Committee would provide \$250 million to address a new Race to the Top for College Affordability and Completion (RTT-CAC) program. The Committee directs the Secretary to prioritize applications that specifically "address college affordability and completion issues facing low-income, minority, and non-traditional students and students with disabilities." The Committee also includes \$170 million for the Investing in Innovation (I3) program, and directs ED to distribute the number of grants equally across the three funding tiers of the program: development, scale up, and validation. Previously, the majority of I3 grants were made in the development tier with a small number of grants being made in the validation tier.

Promise Neighborhoods, a priority for the Obama Administration, would have received \$100 million in the Subcommittee markup, \$200 million below the President's budget request. However, Senator Mark Kirk (R-IL) introduced an amendment in the full Committee markup that cuts \$43 million from the account and directs those funds to the Individuals with Disabilities Education Act (IDEA). Another priority of the Obama Administration, Advanced Research Projects Agency for Education (ARPA-ED), which would have supported "high-risk, high-returns" applied research, did not receive any funding in the Senate bill.

Institute of Education Sciences

The Senate bill would provide \$652.9 million for IES, the research arm of ED, an increase of \$60 million over FY 2013. Language in the bill asks IES to consider how "it can organize its investment opportunities to bring more focus to solving specific and enduring problems of practice in our Nation's classrooms."

Increases in the Senate bill would be directed to Research in Special Education (\$10 million increase over FY 2013) and Statewide Data Systems (\$37 million increase over FY 2013).

For additional information, see the Senate Labor-HHS-Education Appropriations website:
<http://www.appropriations.senate.gov/sc-labor.cfm>.

Senate Labor-HHS Appropriations Bill FY 2014

National Institutes of Health

As reported by the Senate Appropriations Committee, 7/11/2013

(In thousands)

Agency	FY 2013 Enacted*	FY 2014 Request	FY 2014 Senate Cmte Mark	Senate vs. FY 2013 Enacted	Senate vs. FY 2014 Request
NIH, total	30,647,849	31,101,976	30,954,976	307,127 (1.0%)	-147,000 (0.5%)
National Cancer Institute (NCI)	5,062,039	5,125,951	5,091,885	29,846 (0.6%)	-34,066 (0.7%)
National Heart, Lung, and Blood Institute (NHLBI)	3,072,863	3,098,508	3,077,916	5,053 (0.2%)	-20,592 (0.7%)
National Institute of Dental and Craniofacial Research (NIDCR)	409,889	411,515	409,947	58 (<0.1%)	-1,568 (0.4%)
National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK)	1,793,450	1,811,786	1,799,745	6,295 (0.4%)	-12,041 (0.7%)
National Institute of Neurological Disorders and Stroke (NINDS)	1,623,113	1,642,619	1,631,703	8,590 (0.5%)	-10,916 (0.7%)
National Institute of Allergy and Infectious Diseases (NIAID)	4,481,730	4,578,813	4,548,383	66,653 (1.5%)	-30,430 (0.7%)
National Institute of General Medical Sciences (NIGMS)	2,425,175	2,401,011	2,435,570	10,395 (0.4%)	34,559 (1.4%)
Institutional Development Award (IDeA)	275,406	225,438	275,957	551 (0.2%)	50,519 (22.4%)
Eunice Kennedy Shriver National Institute of Child Health and Human Development (NICHD)	1,318,755	1,339,360	1,330,459	11,704 (0.9%)	-8,901 (0.7%)
National Eye Institute (NEI)	701,307	699,216	701,407	100 (<0.1%)	2,191 (0.3%)

National Institute of Environmental Health Sciences (NIEHS)	684,200	691,348	686,753	2,553 (0.4%)	-4,595 (0.7%)
National Institute on Aging (NIA)	1,101,234	1,193,370	1,185,439	84,205 (7.6%)	-7,931 (0.7%)
National Institute of Arthritis and Musculoskeletal and Skin Diseases (NIAMS)	534,715	540,993	537,398	2,683 (0.5%)	-3,595 (0.7%)
National Institute on Deafness and Other Communication Disorders (NIDCD)	415,440	422,936	420,125	4,685 (1.1%)	-2,811 (0.7%)
National Institute of Mental Health (NIMH)	1,477,304	1,465,782	1,456,041	-21,263 (1.4%)	-9,741 (0.7%)
National Institute on Drug Abuse (NIDA)	1,051,261	1,071,612	1,064,490	13,229 (1.3%)	-7,122 (0.7%)
National Institute on Alcohol Abuse and Alcoholism (NIAAA)	458,600	463,848	460,765	2,165 (0.5%)	-3,083 (0.7%)
National Institute of Nursing Research (NINR)	144,479	146,244	145,272	793 (0.5%)	-972 (0.7%)
National Human Genome Research Institute (NHGRI)	511,847	517,319	513,881	2,034 (0.4%)	-3,438 (0.7%)
National Institute of Biomedical Imaging and Bioengineering (NIBIB)	337,681	338,892	337,728	47 (<0.1%)	-1,164 (0.3%)
National Institute on Minority Health and Health Disparities (NIMHD)	275,887	283,299	281,416	5,529 (2.0%)	-1,883 (0.7%)
National Center for Complementary and Alternative Medicine (NCCAM)	127,800	129,041	128,183	383 (0.3%)	-858 (0.7%)
National Center for Advancing Translational Sciences (NCATS)	574,216	665,688	661,264	87,048 (15.2%)	-4,424 (0.7%)
Cures Acceleration Network (CAN)	9,961	50,000	50,000	40,039 (402%)	--
John E. Fogarty International Center (FIC)	69,483	72,864	72,380	2,897 (4.2%)	-484 (0.7%)

National Library of Medicine (NLM)	336,963	382,252	379,712	42,749 (12.7%)	-2,540 (0.7%)
Office of the Director (OD)	1,525,125	1,473,398	1,463,606	-61,519 (4.0%)	-9,792 (0.7%)
Common Fund	544	573	568	24 (4.4%)	-5 (0.9%)
Buildings and Facilities	125,093	126,111	125,308	215 (0.2%)	-803 (0.6%)

Department of Health and Human Services

As reported by the Senate Appropriations Committee, 7/11/2013

(In thousands)

Agency	FY 2013 Enacted*	FY 2014 Request	FY 2014 Senate Cmte Mark	Senate vs. FY 2013 Enacted	Senate vs. FY 2014 Request
Health Resources and Services Administration (HRSA)	6,453,227	6,341,723	6,609,467	156,240 (2.4%)	267,744 (4.2%)
<i>Title VII</i>	220,538	211,781	285,078	64,540 (29.3%)	73,297 (34.6%)
<i>Title VIII</i>	217,501	251,099	251,099	33,598 (15.4%)	--
Substance Abuse and Mental Health Services Administration (SAMHSA)	3,485,677	3,570,709	3,621,944	136,267 (3.9%)	51,235 (1.4%)
Agency for Healthcare Research and Quality (AHRQ)**	375,518	333,697	371,008	-4,510 (1.2%)	37,311 (11.2%)
Centers for Disease Control and Prevention (CDC)	6,547,169	6,644,640	7,022,769	475,600 (7.3%)	378,129 (5.7%)
<i>Chronic Disease Prevention and Health Promotion</i>	755,079	620,189	774,831	19,752 (2.6%)	154,642 (24.9%)
<i>National Institute for Occupational Safety and Health</i>	292,275	271,911	292,275	--	20,364 (7.5%)
<i>Environmental Health</i>	125,559	155,126	153,027	27,468 (21.9%)	-2,099 (1.4%)
Administration on Community Living (ACL)	1,477,210	1,739,455	1,748,364	271,154 (18.4%)	8,909 (0.5%)
Administration for Children and Families (ACF)	29,858,591	31,039,999	31,983,347	2,124,756 (7.1%)	943,348 (3.0%)
Office of the National Coordinator for Health IT	61,193	76,883	71,597	10,404 (17.0%)	-5,286 (6.9%)

Department of Education

As reported by the Senate Appropriations Committee, 7/11/2013

(In thousands)

Agency	FY 2013 Enacted*	FY 2014 Request	FY 2014 Senate Cmte Mark	Senate vs. FY 2013 Enacted	Senate vs. FY 2014 Request
ED, total	71,206,835	71,200,000	72,526,616	1,319,781 (1.9%)	1,326,616 (1.9%)
Elementary and Secondary Education					
Race to the Top	547,863	1,000,000	250,000	-297,863 (54.4%)	-750,000 (75%)
Investing in Innovation (I3)	149,118	215,000	170,000	20,882 (14%)	-45,000 (-20.9%)
ARPA-ED	N/A	64,000	0	N/A	-64,000 (100%)
STEM Innovation Networks	N/A	265,000	55,000	N/A	-210,000 (79.2%)
Math and Science Partnerships	149,417	0	149,417	--	149,417 (100%)
Promise Neighborhoods	59,767	300,000	56,754	-3,013 (5.0%)	-243,246 (81.1%)
Federal Student Aid					
Pell Grant***	5,645	5,785	5,785	140 (2.5%)	--
Supplemental Education Opportunity Grants (SEOG)	733,130	734,599	733,130	--	-1,469 (0.2%)
Federal Work Study	974,728	1,126,682	1,024,728	50,000 (5.1%)	-101,954 (9.0%)
Higher Education					
Aid for Hispanic Serving Institutions (Title V)	100,231	100,432	100,231	--	-201 (0.2%)
Title VI International	73,889	80,938	80,938	7,049 (9.5%)	--
First in the World	0	247,200	0	--	-247,200 (100%)
TRIO	838,252	839,932	849,932	11,680 (1.4%)	10,000 (1.2%)
GEAR UP	301,639	302,244	307,244	5,605 (1.9%)	5,000 (1.7%)
Graduate Assistance in Areas of National Need (GAANN)	30,848	30,909	30,848	0	-61 (0.2%)
HEA Program Evaluation	N/A	67,607	20,606	N/A	-47,001 (69.5)

Institute of Education Sciences (IES)	592,477	671,073	652,937	60,460 (10.2)	-18,136 (2.7%)
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**Values do not reflect sequestration.*

***AHRQ total includes the Committee recommendations for transfers under section 241 of the PHS Act and Prevention and Public Health Fund.*

****The Pell Grant is reported as the maximum grant available to a Pell eligible student.*