



FY 2015 Appropriations Update: Senate Appropriations Subcommittee Approves Labor, Health and Human Services, Education, and Related Agencies Bill; Full Committee Consideration Delayed

Lewis-Burke Associates LLC – June 13, 2014

On June 10, the Senate Labor, Health and Human Services, Education, and Related Agencies Appropriations Subcommittee cleared its fiscal year (FY) 2015 appropriations bill, which funds the Department of Health and Human Services (HHS), the Department of Education (ED), and the National Institutes of Health (NIH), among other agencies. Many of the bill's details are not yet available, but press releases from Appropriations Committee Chair Barbara Mikulski (D-MD) and Subcommittee Chair Tom Harkin (D-IA) emphasize the difficult decisions made due to last year's bipartisan budget agreement, which set overall funding for the bill at the same level as FY 2014.

Consideration of the bill by the full Senate Appropriations Committee has been postponed indefinitely, reportedly due to threat of amendments related to implementation of the *Patient Protection and Affordable Care Act (ACA)*, which would force some Members to take tough political votes during an election year. The bill is unlikely to be considered on the Senate floor at least until the lame-duck session following the elections. This, coupled with similar reluctance in the House to force a difficult vote, and the recent shake up in Republican leadership due to the primary loss of Majority Leader Eric Cantor (R-VA) means the FY 2015 budgets for these programs will likely be determined by a House-Senate conference committee late this year or early next year.

Below is an overview of the bill, with specific funding details available in the charts.

Department of Health and Human Services (HHS)

National Institutes of Health (NIH)

The bill would provide \$30.5 billion for NIH in FY 2015, an increase of \$605.7 million (2 percent) above last year. The Appropriations Committee press release notes that this increase combined with the \$1 million increase in FY 2014 fully replaces the FY 2013 sequester cut to the agency. The Committee also points out that the proposed FY 2015 increase would allow NIH to allocate \$100 million to the BRAIN Initiative, which is the same level recommended in the President's budget request.

Most institutes and centers (IC) would receive approximately a 1.5 percent increase above FY 2014. Of note, the Subcommittee addressed Republican concerns over the effect of the HHS evaluation tap on the NIH budget by transferring \$808.2 million to the agency under the tap and having NIH contribute \$693.3 million to tap activities, resulting in a net increase of \$111.9 million. The Senate bill would ensure this increase of transfer funding for NIH does not decrease funding for agencies that typically rely on tap funding, such as the Agency for Healthcare Quality and Research (AHRQ). If and when a House version of this bill is released, there are likely to be similar changes to the evaluation tap, but programs like AHRQ that evaluate the effectiveness of ACA and other activities will not be protected.

While no reason is given, the \$808.2 million in NIH tap money is allocated to the National Institute of General Medical Sciences (NIGMS), which has its base budget cut by \$763 million, resulting in a \$45 million increase (1.9 percent) for that Institute. Within NIGMS, the Institutional Development Award (IDeA) program, which seeks to broaden the geographic distribution of NIH funding and is popular with many appropriators, would receive \$275.4 million, an increase of \$2.1 million above last year.

Other Department of Health and Human Services Programs

Overall, health professions programs under Title VII and VIII at the Health Resources and Services Administration (HRSA) would receive \$470.5 million, which is \$1.3 million (0.3 percent) increase above the FY 2014 level. Title VII programs would receive \$234.2 million in the Subcommittee bill, which is an \$11.1 million decrease (4.6 percent) below the FY 2014 level. Within Title VII programs, the Subcommittee's bill would eliminate funding for the Centers of Excellence program, Health Careers Opportunity Program, and Faculty Loan Repayment Program. Mental and behavioral health programs would receive \$9.9 million, which is a \$2.0 million increase above the FY 2014 level, and the Scholarships for Disadvantaged Students program would receive \$57.9 million, which is an almost \$13 million increase (29 percent) above the FY 2014 level. Title VIII nursing workforce development programs at HRSA would receive \$236.3 million in the Subcommittee's bill, which is a \$12.5 million (6 percent) increase over the FY 2014 levels. The Children's Hospital Graduate Medical Education Payment Program (CHGME), eliminated in the President's budget proposal, would receive \$265 million in the Subcommittee bill, which is the same as the FY 2014 level.

Regarding other top-line funding at HHS, the Centers for Disease Control and Prevention would receive \$7.1 billion in the Subcommittee bill, a \$171.0 million (3 percent) increase above the FY 2014 level. The Substance Abuse and Mental Health Services Administration would receive \$3.6 billion, which is \$42.7 million (1 percent) below the FY 2014 level. As mentioned above, AHRQ would be funded through direct appropriations rather than the evaluation tap. The Subcommittee's bill would provide \$373.3 million in direct appropriations for AHRQ, which is a \$2.3 million (0.6 percent) increase above the FY 2014 level. In addition, the Administration on Community Living would receive \$1.7 billion, which is an increase of \$20.7 million (1 percent) above the FY 2014 level. According to information released by the Subcommittee, part of this funding includes \$10 million for a new Elder Justice initiative focused on developing partnerships across disciplines for the prevention, investigation, and prosecution of abuse. This includes financial abuse against the elderly.

Department of Education (ED)

The Subcommittee bill would continue funding for several of President Obama's education priorities, including Race to the Top, Investing in Innovation, and the new First in the World program. The Subcommittee rejects the \$52 million requested by the President to develop and implement the proposed higher education rating system, but would fund the higher education program evaluation account at \$1 million, an increase of \$510,000 over FY 2014. The bill also includes \$81.2 million for Title VI international programs, a \$9 million increase over FY 2014, and \$31 million for the Graduate Assistance in Areas of National Need (GAANN) program, a \$1.7 million increase over FY 2014. The Javits program was folded into GAANN several years ago; advocates are hopeful that part of the increase would support fellowships in the humanities. TRIO would be funded at \$846.6 million, an increase of \$8.4 million over FY 2014 and level with the President's request. GEAR UP would receive \$304.6 million, an increase of \$3 million over current law and also level with the President's request. The Institute of Education Sciences (IES) would receive \$579 million, a \$2 million cut from FY 2014 funding and well below the President's request of \$637.2 million.

Student Financial Aid

Overall, the Subcommittee would provide level funding for the major federal student aid programs, with a few small increases. The Subcommittee would level fund the maximum Pell Grant at \$4,860 with discretionary dollars and increase the maximum grant to an estimated \$5,830 for 2015-2016 when mandatory funding is included. The Senate would provide \$1.01 billion for Federal Work Study, an increase of \$35 million over FY 2014; and \$748 million for the Supplemental Education Opportunity Grants (SEOG), an increase of \$15 million over FY 2014.

For additional information, see the Senate Appropriations Committee summary of the bill:
<http://www.appropriations.senate.gov/news/fy15-lhhs-subcommittee-markup-bill-summary>.

Senate Labor-HHS Appropriations Bill FY 2015

As reported by the Senate Appropriations Subcommittee, 6/10/2014

National Institutes of Health (In thousands)

Agency	FY 2014 Enacted*	FY 2015 Request	FY 2015 Senate Subcmte Mark	Senate vs. FY 2014 Enacted	Senate vs. FY 2015 Request
NIH, total	29,853,513	30,134,304	30,459,181	605,668 (2.0%)	324,877 (1.1%)
National Cancer Institute (NCI)	4,916,221	4,930,715	5,003,932	87,711 (1.8%)	73,217 (1.5%)
National Heart, Lung, and Blood Institute (NHLBI)	2,978,762	2,987,685	3,022,818	44,056 (1.5%)	35,133 (1.2%)
National Institute of Dental and Craniofacial Research (NIDCR)	396,571	397,131	402,436	5,865 (1.5%)	5,305 (1.3%)
National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK)	1,739,553	1,743,336	1,765,281	25,728 (1.5%)	21,945 (1.3%)
National Institute of Neurological Disorders and Stroke (NINDS)	1,583,685	1,608,461	1,608,835	25,150 (1.6%)	374 (0.0%)
National Institute of Allergy and Infectious Diseases (NIAID)	4,386,870	4,423,357	4,451,752	64,882 (1.5%)	28,395 (0.6%)
National Institute of General Medical Sciences (NIGMS)	2,358,748	2,368,877	1,595,715	-763,033 (-32.3%)*	-773,162 (32.6%)
Institutional Development Award (IDeA)	273,325	273,325	275,400	2,075 (0.8%)	2,075 (0.8%)

Eunice Kennedy Shriver National Institute of Child Health and Human Development (NICHD)	1,279,123	1,283,487	1,298,041	18,918 (1.5%)	14,554 (1.1%)
National Eye Institute (NEI)	673,341	675,168	683,300	9,959 (1.5%)	8,132 (1.2%)
National Institute of Environmental Health Sciences (NIEHS)	663,638	665,080	673,453	9,815 (1.5%)	8,373 (1.3%)
National Institute on Aging (NIA)	1,167,868	1,170,880	1,267,868	100,000 (8.6%)	96,988 (8.3%)
National Institute of Arthritis and Musculoskeletal and Skin Diseases (NIAMS)	518,646	520,189	526,317	7,671 (1.5%)	6,128 (1.2%)
National Institute on Deafness and Other Communication Disorders (NIDCD)	402,956	403,933	408,916	5,960 (1.5%)	4,983 (1.2%)
National Institute of Mental Health (NIMH)	1,414,901	1,440,076	1,440,051	25,150 (1.8%)	-25 (0.0%)
National Institute on Drug Abuse (NIDA)	1,014,591	1,023,268	1,036,597	22,006 (2.2%)	13,329 (1.3%)
National Institute on Alcohol Abuse and Alcoholism (NIAAA)	444,818	446,017	451,017	6,199 (1.4%)	5,000 (1.1%)
National Institute of Nursing Research (NINR)	140,136	140,452	142,209	2,073 (1.5%)	1,757 (1.3%)
National Human Genome Research Institute (NHGRI)	496,465	498,451	503,808	7,343 (1.5%)	5,357 (1.1%)
National Institute of Biomedical Imaging and Bioengineering (NIBIB)	325,921	328,532	332,741	6,820 (2.1%)	4,209 (1.3%)
National Institute on Minority Health and Health Disparities (NIMHD)	267,595	267,953	271,553	3,958 (1.5%)	3,600 (1.3%)
National Center for Complementary and Integrative Health (NCCIH)	123,960	124,509	125,793	1,833 (1.5%)	1,284 (1.0%)
National Center for Advancing Translational Sciences (NCATS)	631,553	657,471	651,528	19,975 (3.2%)	-5,943 (0.9%)

Cures Acceleration Network (CAN)	9,835	29,801	--	--	--
John E. Fogarty International Center (FIC)	67,395	67,776	68,630	1,235 (1.8%)	854 (1.3%)
National Library of Medicine (NLM)	327,336	372,851	340,377	13,041 (4.0%)	-32,474 (8.7%)
Office of the Director (OD)	1,396,344	1,451,786	1,448,995	52,651 (3.8%)	-2,791 (0.2%)
Common Fund	531,174	583,039	564,039	32,865 (6.2%)	-19,000 (3.3%)
Buildings and Facilities	128,316	128,663	128,638	322 (0.3%)	-25 (0.0%)

*The \$808.2 million in NIH tap money is allocated to NIGMS, which has its base budget cut by \$763 million, resulting in a \$45 million increase (1.9 percent) for that institute.

Department of Health and Human Services

(In thousands)

	FY 2014 Enacted	FY 2015 Request	FY 2015 Senate Subcmte Mark	Senate v. FY 2014 Enacted	Senate v. FY 2015 Request
HHS, total	647,459,878	690,010,808	693,846,667	46,386,789 (7.2%)	3,835,859 (0.6%)
Health Resources and Administration (HRSA)					
Title VII	245,395	214,880	234,223	-11,172 (-4.6%)	19,343 (9.0%)
Title VIII	223,841	223,841	236,294	12,453 (5.6%)	12,453 (5.6%)
Substance Abuse and Mental Health Services Administration (SAMHSA)					
Center for Mental Health Services	1,085,752	1,056,831	1,078,975	-6,777 (-0.6%)	22,144 (2.1%)
Center for Substance Abuse Treatment	2,178,680	2,117,256	2,140,016	-38,664 (1.8)	22,760 (1.1%)
Center for Substance Abuse Prevention	180,574	206,724	183,337	2,763 (1.5%)	-23,387 (-11.3%)
Agency for Healthcare Research and Quality (AHRQ)	371,008	334,099	373,295	2,287 (0.6%)	39,196 (11.7%)

Centers for Disease Control and Prevention (CDC)	6,883,091	6,661,719	7,054,006	170,915 (2.5%)	391,287 (5.9%)
<i>Chronic Disease prevention and Health Promotion</i>	740,001	608,253	748,941	8,940 (1.2%)	140,688 (23.1%)
<i>National Institute for Occupational Safety and Health (NIOSH)</i>	332,363	280,590	332,363	--	51,773 (18.5%)
<i>Environmental Health</i>	166,404	131,811	169,584	3,180 (1.9%)	37,773 (28.7%)
Administration on Community Living (ACL)	1,683,208	1,722,839	1,703,919	20,711 (1.2%)	-18,920 (-1.1%)
Administration for Children and Families (ACF)	30,881,613	29,821,241	31,726,701	845,088 (2.7%)	1,905,460 (6.4%)
Office of the National Coordinator for Health IT	60,325	74,688	61,474	1,149 (1.9%)	-13,214 (-17.7%)

Department of Education
(In thousands)

	FY 2014 Enacted	FY 2015 Request	FY 2015 Senate Subcmte Mark	Senate vs. FY 2014 Enacted	Senate vs. FY 2015 Request
ED, total	70,366,070	71,922,855	70,865,944	499,874 (0.7%)	-1,056,911 (1.5%)
Elementary and Secondary Education					
Race to the Top	0	300,000	0	--	-300,000 (100%)
Investing in Innovation (I3)	141,602	165,000	141,602	--	-23,398 (14.2%)
STEM Innovation Networks	0	319,717	0	--	-319,717 (100%)
Math and Science Partnerships	149,717	0	155,000	5,283 (3.5%)	155,000 (100%)
Promise Neighborhoods	56,754	100,000	56,754	--	-43,246 (42.3%)
Special Education					
Special Education Grants to States	2,189,465	1,448,745	2,229,465	40,000 (1.8%)	780,720 (53.9%)
National Institute on Disability and Rehabilitation Research	103,970	108,000	103,970	--	-4,030 (3.7%)
Student Financial					

Assistance					
Pell Grant**	4,860	4,860	4,860	--	--
Supplemental Education Opportunity Grants (SEOG)	733,130	733,130	748,130	15,000 (2.0%)	15,000 (2.0%)
Federal Work Study	974,728	974,728	1,009,728	35,000 (3.6%)	35,000 (3.6%)
Higher Education					
Aid for Hispanic Serving Institutions (Title V)	98,583	98,583	100,231	1,648 (1.7%)	1,648 (1.7%)
Title VI International	72,164	76,164	81,164	9,000 (12.5%)	5,000 (6.6%)
First in the World	75,000	100,000	75,000	--	-25,000 (25.0%)
TRIO	838,252	838,252	846,652	8,400 (1.0%)	8,400 (1.0%)
GEAR UP	301,639	301,639	304,639	3,000 (1.0%)	3,000 (1.0%)
Graduate Assistance in Areas of National Need (GAANN)	29,293	29,293	31,000	1,707 (5.8%)	1,707 (5.8%)
HEA Program Evaluation	575	52,000	1,000	425 (73.9%)	-51,000 (98.1%)
Institute of Education Sciences (IES)					
Institute of Education Sciences (IES)	576,935	637,180	579,021	2,086 (0.4%)	-58,159 (9.1%)

** Pell Grant amount listed is the maximum individual award given