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Analysis of the President's FY 2015 Budget Request for Federal Health, Education, and Training Programs

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Government Relations for Research & Education

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Executive Summary

Only a month removed from the final fiscal year (FY) 2014 spending decisions in Congress and with the FY 2015 discretionary spending caps largely the same, President Obama released his FY 2015 budget request on March 4th, a month after the required February submission to Congress and with many on Capitol Hill already moving into the appropriations process.

The budget request presents a very mixed picture in which the President reflects a forecast for non-profit organizations which is in part optimistic, while proposing new programs which appeal to his base in an election year. Based in part on bipartisan supported initiatives such as advanced manufacturing and exascale computing, the request continually touts the virtues of research and education to enable the economy of the future. In addition, the request proposes several new initiatives, such as a competitive graduate medical education program and incentives for colleges and universities which graduate large cohorts of Pell-eligible students, but bases these ideas on difficult offsets and at a time when many in Congress are unable or unwilling to accommodate new proposals. Finally, reflecting the continuing pressures on research, health, and education organizations, the request would make substantial cuts to provider payments such as indirect medical education, would squeeze defense basic research accounts in favor of more applied or translational initiatives, and includes the proposed college rating system trumpeted by the President during his annual State of the Union speech.

Overall, adhering to the two year budgetary framework (P.L. 113-67) passed in December 2013, the budget request includes \$1.014 trillion in discretionary spending, a level which is largely consistent with FY 2014. The request also includes the continued partial offset to sequestration in FY 2015. While there is unlikely to be much debate over the overall spending levels, the total investment proposed for individual agencies, accounts, or programs will be adjusted by Congress in the annual appropriations process, especially in areas where substantial changes have been proposed from FY 2014 funding levels.

Regardless, the annual budget request, reflecting nearly nine months of planning and negotiations by the White House Administration, does provide a window into forthcoming plans and priorities. The proposed increases for research, assessment, education, and infrastructure reflect areas of emphasis for the remaining two and a half years of the Obama Administration and benchmarks for which congressional champions will advocate throughout the appropriations process.

Going beyond the budget requests for each agency and the statutory caps, President Obama proposes a new \$55.4 billion Opportunity, Growth, and Security Initiative (Opportunity Initiative), which includes numerous spending priorities such as advanced manufacturing, renewable energy, early education, infrastructure, etc. Beyond this stimulus-like fund, the budget proposes an ending of sequestration in FY 2016 and beyond through a combination of spending cuts, nearly \$650 billion in added tax revenue, and from deficit reduction resulting from enactment of immigration reform legislation. While none of these politically charged proposals are expected to be taken up by Congress in this election year, it does provide specific initiatives around which Democrats are expected to rally and reinforces the looming fight which must be waged by the next Congress for FY 2016 and beyond with respect to overall spending and the fate of sequestration.

Department of Education

The President's FY 2015 budget request includes \$68.6 billion for the Department of Education (ED), which is an increase of \$1.3 billion (1.9 percent) over the FY 2014 enacted level.

- The FY 2015 budget request continues the Obama Administration priorities of increasing college access and completion; expanding early childhood education across the U.S.; expanding science, technology, engineering, and mathematics (STEM) education across K-12; support for greater teacher evaluation and assessment; and continuing support for the Race to the Top (RttT) and Investing in Innovation (i3) programs.
- The FY 2015 budget request supports President Obama's proposed new rating system for colleges and universities and includes mandatory funding to incentivize institutions to support access and completion efforts. This includes additional federal student aid dollars for institutions who successfully enroll and graduate a significant number of Pell eligible students; competitive grants for states to support the implementation of performance based policy; and changes to allocations for campus based aid programs, including the Supplemental Educational Opportunity Grant (SEOG) and Federal Work Study programs, to reward institutions that enroll and graduate large numbers of Pell eligible students.
- The ED budget request would enact several policy provisions typically authorized in the *Higher Education Act* (HEA). However, with Congress struggling with consensus and HEA reauthorization unlikely, the Administration is positioned to continue to influence higher education reform through grant programs (i.e. the First in the World program and the new College Opportunity and Graduate Bonus program) or through executive orders.

New and Signature Initiatives

College Access and Completion

The FY 2015 budget request includes increases and changes to the federal student aid programs which advance the Administration's policy priorities of increasing access and completion. The request would fund the **Pell Grant** program at a maximum award level of \$5,830, an increase of 1.7 percent. The request would also expand Pell to adults who are enrolled in a career pathway program. The Administration also proposes that satisfactory academic progress (SAP) requirements for Pell eligibility be strengthened to encourage faster completion. The request also includes mandatory funding (\$7 billion over 10 years) for **College Opportunity and Graduation Bonus** grants, a new program that would reward colleges and universities for enrolling and graduating a significant number of low-income students. Funding would be allocated based on how many Pell students an institution graduates on time. The request would also provide \$4 million in mandatory funding for a **State Higher Education Performance Fund**. This would be a new competitive grant program for states (with a required 1:1 match) for performance based policy and funding reforms. The budget request also includes \$100 million for the **First in the World** program, which would fund new and innovative programs to improve college completion and access, particularly focused on low-income students.

The Administration continues to expand programs to support student loan borrowers. The FY 2015 budget request includes an expansion of the **Pay As You Earn (PAYE)** program, which caps monthly payments at 10 percent of discretionary income. The request would restructure Campus Based Aid

Programs, including the **Supplemental Educational Opportunity Grants (SEOG)** and **Federal Work Study** programs, to better aid institutions that enroll and graduate significant numbers of Pell-eligible students; this would include expanding the Perkins program from \$1 billion to \$8.5 billion, but shift administration of those Perkins funds from universities to the federal government.

The FY 2015 budget request also includes proposed changes to the U.S. Tax Code for education tax credits. The President's budget request would make the **American Opportunity Tax Credit (AOTC)** permanent. The AOTC provides a total credit of up to \$2,500 for current students. It would also clarify the application of AOTC for Pell Grant recipients and exclude student loan forgiveness from taxation for student borrowers participating in the **Income Based Repayment** plan.

College Rating System

Funding is also included to support the Administration's development of a college rating system, proposed by President Obama in late 2013. The budget request includes \$52 million for data collection and evaluation to develop and refine the rating system as well as overall performance measurement.

Opportunity, Growth, and Security Initiative

ED would receive funding through the Opportunity, Growth, and Security Initiative for **Preschool Development Grants** (\$250 million), the **ConnectEDucators initiative** (\$300 million), and the **Promise Neighborhoods** program (\$200 million). This funding would be in addition to the top line discretionary funding level.

Support for Minority Serving Institutions (MSIs)

The FY 2015 budget request includes \$75 million in support of MSIs, including Hispanic Serving Institutions (HSIs) and Title III institutions, to support expanding services to Pell eligible students and increasing completion. Grants within the program could support partnerships with local education agencies (LEAs) in college recruitment; establish dual enrollment programs; create strategies to improve student outcomes; provide additional need-based aid to incentivize completion; and reduce the need for remedial education.

STEM Initiatives

Similar to the FY 2014 proposal, the FY 2015 budget request includes a reorganization of STEM programs. For ED this includes the creation of new programs, such as the **STEM Innovation Networks** and the **STEM Teacher Pathways** program. See the interagency section of this report for additional information.

Ongoing Areas of Interest

Signature Obama Administration Programs

The request includes \$100 million for the **Promise Neighborhoods** program, an increase of 76.1 percent above the FY 2014 enacted level (and in addition to the \$200 million that would be included for the program under the Opportunity Initiative). The signature **i3** program would receive \$165 million, an increase of 16.5 percent, of which \$49.5 million would be used for the **Advanced Research Projects Agency for Education (ARPA-ED)** for innovative technological breakthroughs relating to teaching and learning. While ARPA-ED has been proposed in previous budget requests, it has not yet been funded.

Teacher Training Programs

As in past years, the Administration requests funding for new programs to help enhance school teachers and leaders and add additional quality teachers to the profession. The budget request includes \$300 million for a new RttT program focused on equity and opportunity (**RTT-Opportunity**). This program would provide funding to states and school districts with the goal to improve performance at the lowest performing schools. It would fund activities including “developing, attracting, and retaining effective teachers and leaders in high-poverty schools¹”. The request also includes funding for:

- **School Turnaround Grants** (\$505.8 million) for states and school districts funding activities that improve school leaders and teachers,
- **Effective Teachers and Leaders State Grants** program (\$2.0 billion) for states and districts that commit to improved evaluation systems for teachers and principals,
- **Teacher and Leader Innovation Fund** (\$320 million) to adjust compensation systems in high-need schools to help teachers and principals advance and to improve school teams, and
- **School Leadership Program** (\$35 million) focused on evidence-based professional development for principals,

In addition, the Administration requests mandatory funding for the **Recognizing Education Success, Professional Excellence, and Collaborative Teaching (RESPECT)** initiative. This would be \$5 billion in mandatory funding for early career development to assist in the shift to college and career ready standards. This program would fund grants to states and school districts. The Administration also requests \$200 million for a new **ConnectEDucators** initiative to help provide access to technology for teachers’ use in the classroom to help personalize learning.

Title VI International Education and Foreign Language Studies

The FY 2015 budget proposal includes a \$4 million increase for the Title VI programs. The increase would support new awards in critical foreign languages, including those spoken in the Asia-Pacific, Sub-Saharan Africa Regions; and new “mobility” awards that would support cooperative partnerships with institutions in Southeast Asia and Sub-Saharan Africa.

Institute of Education Sciences (IES)

The FY 2015 budget request includes an increase of \$60.2 million over the FY 2014 appropriation that would allow IES to award over \$60 million in additional grants in FY 2015. The budget request also includes funding to support a new **Research and Development Center** on online and blended learning strategies and the development of training programs within the **National Center for Education Research** for the use of “big data” in education research.

Source: ED’s FY 2015 Blue Book can be viewed at:

<http://www2.ed.gov/about/overview/budget/budget15/summary/15summary.pdf>.

¹ <http://www2.ed.gov/about/overview/budget/budget15/summary/15summary.pdf>, “U.S. Department of Education Fiscal Year 2015 Budget Summary,” Department of Education, 2014, page 4.

Department of Education

(In thousands)

	FY 2014 Enacted	FY 2015 Request	Request vs. FY 2014
ED, Total	67,301,715	68,587,781	1,286,066 (1.9%)
Elementary and Secondary Education	23,407,420	24,094,415	686,995 (2.9%)
Race to the Top	250,000	300,000	50,000 (20.0%)
Investing in Innovation	141,602	165,000	23,398 (16.5%)
<i>ARPA-ED</i>	--	49,500	49,500 (N/A)
STEM Innovation	149,717	319,717	170,000 (113.5%)
Effective Teachers and Leaders State Grants	--	2,000,000	2,000,000 (N/A)
School Turnaround Grants	505,756	505,756	--
ConnectEDucators	--	200,000	200,000 (N/A)
Teacher and Leader Innovation Fund	288,771	320,000	31,229 (10.8%)
School Leadership	25,763	35,000	9,237 (35.9%)
Promise Neighborhoods	56,754	100,000	43,246 (76.2%)
Successful, Safe, and Healthy Students	214,138	214,000	-138 (0.1%)
Office of Special Education and Rehabilitative Services			
Special Education Grants to States	2,189,465	1,448,745	-740,720 (33.8%)
National Institute on Disability and Rehabilitation Research	103,970	108,000	4,030 (3.9%)
Student Financial Assistance			
Pell Grant*	5,730	5,830	100 (1.7%)
Perkins Loan Program†	1,000,000	8,500,000	7,500,000 (750.0%)
SEOG	733,130	733,130	--
Work-Study	974,728	974,728	--
Higher Education			
Title III Aid for Institutional Development	422,842	422,842	--
Title V Aid for HSIs	107,428	107,428	--
Title VI International Education and Foreign Language Studies	72,164	76,164	4,000 (5.5%)
FIPSE	79,400	175,000	95,600 (120.4%)
<i>First in the World</i>	75,000	100,000	25,000 (33.3%)
<i>College Success Grants for MSIs</i>	--	75,000	75,000 (N/A)
TRIO Programs	838,252	838,252	--
GEAR UP	301,639	301,639	--
GAANN	29,293	29,293	--
Data/Evaluation	575	52,000	51,425 (8,943.5%)

State Higher Education Performance Fund	--	4,000,000	4,000,000 (N/A)
College Opportunity and Graduation Bonus	--	647,000	647,000 (N/A)
Institute of Education Sciences	576,935	637,180	60,245 (10.4%)
Research, Development and Dissemination	179,860	190,273	10,413 (5.8%)
Research in Special Education	54,000	54,000	--
Statewide Longitudinal Data Systems	34,539	70,000	35,461 (102.7%)

* Note, the Pell Grant amount listed is the maximum grant award.

† Note, Perkins funding is outside of the overall discretionary funding for the Department of Education.

The FY 2015 proposal would change the allocation formula and shift funds from university based oversight to ED based oversight.

Department of Health and Human Services

National Institutes of Health

The President's FY 2015 budget request includes \$30.4 billion for the National Institutes of Health (NIH), which is a \$211 million (0.7 percent) increase above the FY 2014 level of \$30.2 billion.

- The Obama Administration has positioned certain NIH programs, such as the Brain Research through Advancing Innovative Neurotechnologies (BRAIN) Initiative, Big Data, Alzheimer's disease research, and the new Accelerating Medicines Partnership (AMP), at the center of its Opportunity, Growth, and Security Initiative. The Opportunity Initiative would provide an additional \$970 million for NIH, bringing it to a total level of \$31.3 billion. However, this increase would require that Congress provide supplemental funding and breach the caps set in the budget agreement, which is unlikely to occur, particularly in an election year.
- A new emphasis in the FY 2015 budget request focuses on research to tailor treatments to patients' unique characteristics, known as "precision medicine." Included in this category is the National Center for Advancing Translational Sciences (NCATS) effort to reengineer drug discovery and development in collaboration with industry, academia, the Food and Drug Administration (FDA), the Defense Advanced Research Projects Agency (DARPA), and the Cures Acceleration Network (CAN), which has yet to receive funding sufficient to award extramural grants.
- In the wake of sequestration and the government shutdown, bipartisan support for NIH has seemingly grown as lawmakers decried the effect of cuts and funding disruptions on the nation's biomedical research enterprise. Despite the community's calls for at least restoration of the 5 percent sequestration cut, given the political and budget pressures of an election year, funding beyond the Administration's request for NIH is unlikely in FY 2015.

New and Signature Initiatives

The President's FY 2015 budget request highlights new and continuing NIH initiatives.

"DARPA-like" Innovation Program

Placing additional emphasis on research innovation, the Administration is proposing a new \$30 million Common Fund program modeled after DARPA's flexible funding mechanism that would allow the NIH program office or project leader to put together a team of extramural researchers best suited to tackle specific biomedical challenges. At the Department of Health and Human Services budget briefing on March 4, NIH Director Francis Collins cited as an example a possible project that would design technology to modulate the peripheral nervous system. The budget request proposes that the Opportunity Initiative would amplify the \$30 million investment in this new endeavor with additional support, but does not specify an amount. As noted above, given the tight funding environment, it is unlikely Congress will provide direct funding to the Opportunity Initiative.

BRAIN Initiative

The budget request would provide \$100 million for the BRAIN Initiative at NIH in FY 2015. This would be a \$60 million increase above the \$40 million NIH is awarding in FY 2014 and would complement investments at the National Science Foundation (NSF) and DARPA, resulting in a \$200 million total

investment by the three agencies. The NIH portion of the multi-agency project aims to develop new tools to map brain circuits, measure activity within these circuits, and understand how they dictate human cognition and behavior. See the interagency section of this report for additional information.

Advancing Medicines Partnership (AMP)

In FY 2015, NIH would continue the AMP initiative that was launched on February 4. Slated for \$230 million in FY 2014, it is a five-year partnership with 10 industry partners aimed at pursuing new drug treatments for Alzheimer's disease, diabetes, and the autoimmune diseases of rheumatoid arthritis and lupus. The new venture is one of NIH's primary contributions to the Administration's focus on investing in innovation and partnering with industry to advance scientific discovery and technological breakthroughs.

Biomedical Workforce

The budget request highlights the need for a diverse and highly creative workforce and puts its support behind programs that direct support to the investigator rather than the project, such as the **NIH Director's Early Independence Award**, the **New Innovator Award**, and the **Pathway to Independence Award**. The budget request document emphasizes NIH's efforts to recruit and mentor young people from traditional underrepresented backgrounds interested in science careers. Additionally, the budget request would provide \$767 million for the **Ruth L. Kirschstein National Research Service Awards (NRSA)** program and proposes a 2 percent stipend increase in FY 2015.

Alzheimer's Disease Research

NIH continues its implementation of the research components of the National Plan to Address Alzheimer's Disease, and the budget request would provide \$566 million on this research in FY 2015. At a recent Senate hearing on this issue, Dr. Collins noted that NIH currently spends \$504 million on Alzheimer's and highlighted the agency's genomics and imaging activities. He also cited the AMP and BRAIN Initiative as contributing to the pursuit of new drugs and treatments for this costly disease.

Big Data

The budget request highlights NIH's **Big Data to Knowledge (BD2K)** initiative and the Centers of Excellence that are slated to help solve Big Data problems and remove barriers that impede understanding of new diseases and development of new treatments. At the writing of this report, specific funding information is not available.

Ongoing Areas of Interest

NIH estimates it would devote \$16.2 billion (53 percent of its total budget) to 34,197 competitive **Research Project Grants (RPGs)** in FY 2015. Due to sequestration, this number is considerably below the 36,610 grants the FY 2014 budget request estimated NIH would support. However, NIH estimates that it would support 9,326 new and competing RPGs, which would be an increase of 329 grants over FY 2014.

The budget request includes \$273.3 million for the **Institutional Development Award (IDeA)** program, which is the same level provided in FY 2014. This marks the first time in a few years that the Obama Administration has not proposed a funding decrease for this program that is popular with many members of Congress.

The budget retains the **salary cap for extramural grants at Executive Level II**, which is the same level as in FY 2014. The decrease from Executive Level I was enacted in the FY 2012 budget.

The budget request specifies that the **Clinical and Translational Science Awards (CTSA)** program within NCATS should receive at least \$474.7 million, which is the same amount provided in FY 2014.

The Administration is again proposing a consolidation of the science, technology, engineering, and mathematics (STEM) education programs, but it would retain **the Science Education Partnership Awards (SEPA)** within NIH, which would be funded at \$15 million, the same level as FY 2014. See the interagency section of this report for additional information on this activity.

It is estimated NIH would invest more than \$3 billion in **HIV/AIDS research** in FY 2015. Details on how this funding would be distributed among the institutes and center are not yet available.

Sources: The HHS FY 2015 budget materials can be found at: <http://www.hhs.gov/budget/fy2015/fy-2015-budget-in-brief.pdf>. At the writing of this report, additional NIH budget details are not available, but are expected to be posted at <http://officeofbudget.od.nih.gov/> within a week.

National Institutes of Health

(In millions)

	FY 2014 Enacted	FY 2015 Request	Request v. FY 2014 Enacted
NIH total	30,151	30,362	211 (0.7%)
National Cancer Institute (NCI)	4,923	4,931	8 (0.2%)
National Heart, Lung, and Blood Institute (NHLBI)	2,983	2,988	5 (0.2%)
National Institute of Dental and Craniofacial Research (NIDCR)	397	397	--
National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK)	1,881	1,893	12 (0.6%)
National Institute of Neurological Disorders and Stroke (NINDS)	1,586	1,608	22 (1.4%)
National Institute of Allergy and Infectious Diseases (NIAID)	4,393	4,423	30 (0.7%)
National Institute of General Medical Sciences (NIGMS)	2,362	2,369	7 (0.3%)
Institutional Development Award (IDeA)	273	273	--
Eunice Kennedy Shriver National Institute of Child Health and Human Development (NICHD)	1,281	1,283	2 (0.2%)
National Eye Institute (NEI)	674	675	1 (0.2%)
National Institute of Environmental Health Sciences (NIEHS)	665	665	--
National Institute on Aging (NIA)	1,169	1,171	2 (0.2%)

National Institute of Arthritis and Musculoskeletal and Skin Diseases (NIAMS)	519	520	1 (0.2%)
National Institute on Deafness and Other Communications Disorders (NIDCD)	403	404	1 (0.25%)
National Institute of Mental Health (NIMH)	1,417	1,440	23 (1.6%)
National Institute on Drug Abuse (NIDA)	1,016	1,023	7 (0.7%)
National Institute on Alcohol Abuse and Alcoholism (NIAAA)	445	446	1 (0.2%)
National Institute of Nursing Research (NINR)	140	140	--
National Human Genome Research Institute (NHGRI)	497	498	1 (0.2%)
National Institute of Biomedical Imaging and Bioengineering (NIBIB)	326	329	3 (0.9%)
National Institute on Minority Health and Health Disparities (NIMHD)	268	268	--
National Center for Complementary and Alternative Medicine (NCCAM)	124	125	1 (0.8%)
National Center for Advancing Translational Sciences (NCATS)	632	657	25 (4.0%)
Cures Acceleration Network (CAN)	9.8	29.8	20 (204.1%)
John E. Fogarty International Center (FIC)	67	68	1 (1.5%)
National Library of Medicine (NLM)	375	381	6 (1.6%)
Office of the Director (OD)*	1,400	1,452	52 (3.7%)
Common Fund	533	583	50 (9.4%)
Building and Facilities	129	129	--

Other HHS Agencies and Priorities

The President's FY 2015 budget request would provide \$77.1 billion in discretionary funding for the Department of Health and Human Services (HHS), a \$1.3 billion decrease below FY 2014. The total budget outlays for the next 10 years are \$1 trillion.

- New investments in the President's budget request would support the implementation of the *Patient Protection and Affordable Care Act* (ACA) by providing funding for new and existing programs focused on improving health and access to healthcare.
- The President's budget request for FY 2015 would make significant investments in the healthcare workforce, including increases for the National Health Service Corps (NHSC) and graduate medical education (GME). Unfortunately, some of these investments would come at a high cost to teaching hospitals and indirect medical education (IME).
- Several of President Obama's mental health initiatives, which are part of the *Now Is the Time Initiative*, received funding in the FY 2014 omnibus. The President's FY 2015 budget request again seeks support for several of these proposals, which are viewed favorably by many in Congress.
- It is expected that Republicans again will target provisions related to implementation of the ACA. Senate Democratic appropriations leadership has signaled a strong will to bring a Labor-Health and Human Services-Education appropriations bill to the floor for debate, providing time for those who oppose the ACA to target provisions. In addition, some of the ACA provisions, such as the increased Medicaid payments for primary care physicians (Medicaid bump), will begin to expire, requiring the Administration to work with Congress to extend expiring measures. The President's budget request proposes to extend the Medicaid bump.

New and Signature Initiatives

New Workforce Investments

The President's budget request would support \$530 million in FY 2015 (\$5.2 billion over 10 years) to establish a new competitive GME program at the Health Resources and Services Administration (HRSA) for primary care and "high need specialties." Specifically, the new program called Targeted Support for Graduate Medical Education, will support teaching hospitals, children's hospitals, and community-based consortia of teaching hospitals partnered with other health entities.

According to information released by the Administration, the program would support 13,000 new residents through the new competitive program, which includes \$100 million in mandatory set-aside for funding for pediatric children's hospital training. The focus will be on preventative and ambulatory care, and the budget indicates the funding would come from reinvesting a significant IME cut proposed in the budget request (discussed below), making it very difficult to garner support for the new initiative.

The budget proposal would also provide \$810 million for NHSC in FY 2015 (almost \$4 billion over 10 years), which is a nearly \$527 million increase over the FY 2014 level. Of this total funding, \$710 million would be mandatory money each year.

According to HRSA, the budget request would also provide \$10 million for a new Clinical Training and Interprofessional Practice program, and \$4 million for a new Rural Physician Training grant.

Access to Mental Health Services

The President's budget request again proposes investments to support and expand mental health services. It would support funding for treatment and prevention services as part of the *Now Is the Time* initiative, as well as workforce investments to ensure there are trained professionals to serve patients and communities.

Specifically, the budget request would provide \$130 million for the Substance Abuse and Mental Health Services Administration (SAMHSA). Funding at SAMHSA would support Project AWARE (Advancing Wellness and Resilience in Education) for state support to local schools and communities to recognize mental health illness and refer young people to services. In addition, the budget request would include \$10 million for a joint HRSA/SAMHSA program (funded through SAMHSA) for a Behavioral Health Workforce Education and Training program that builds on HRSA's Mental and Behavioral Health Education and Training grants. This would fund clinical training for masters level social workers, psychologists, marriage and family therapists, psychiatric mental health nurse practitioners, professional counselors, as well as doctoral-level psychologists and paraprofessionals. Also included is \$15 million for the Mental Health First Aid program.

The President's budget request would also include \$55 million for SAMHSA and HRSA to increase the number of licensed behavioral health professionals, and \$5 million for the expansion of the Minority Health Fellowship program, which was originally expanded in FY 2014, to include individuals focused on youth populations and addiction counselors. The budget request would also provide \$10 million for a new peer professionals program to increase access to treatments by increasing the number of trained recovery coaches, mental health/addiction specialists, prevention specialists, and pre-Master's level addiction counselors.

Proposed Reductions and Terminations

Centers for Medicare and Medicaid Services (CMS)

As mentioned above, CMS would reduce funding for IME by 10 percent starting in 2015, which would cut \$14.6 billion from the program over 10 years. CMS would reinvest only \$5.2 billion over 10 years in a new GME program at HRSA. In addition, according to the CMS brief, "the Secretary would be granted the authority to set standards for teaching hospitals receiving Graduate Medical Education payments to encourage training of primary care residents and emphasize skills that promote high quality and high value health care."²

The President's budget proposal would again reduce Medicare coverage for bad debts to 25 percent over three years. The President's budget request would also support legislative efforts to rebase Medicaid Disproportionate Share Hospital Payments through 2024.

Health Resources and Services Administration

The President's request would again eliminate funding for the Area Health Education Centers (AHECs), leaving it to Congress to restore funding as it has done in previous years.

² <http://www.hhs.gov/budget/fy2015/fy-2015-budget-in-brief.pdf>, "Fiscal Year 2015 Budget in Brief Strengthening Health and Opportunity for All Americans", Department of Health and Human Services, 2014 (pg. 59)

HRSA plans to incorporate the Children's Graduate Medical Education (CHGME) program into the new Targeted Support for Graduate Medical Education program.

Centers for Disease Control and Prevention (CDC)

The President's budget request would provide \$411 million for Prevention Research Centers, a \$14 million reduction below FY 2014. The budget also proposes to eliminate funding for the Racial and Ethnic Approaches to Community (REACH) program and the Education Research Centers at CDC.

The **Mental and Behavioral Health Education and Training Programs** would received \$7.9 million, the same level as FY 2014, for competitive grants to doctoral psychology programs for training for work with underserved communities. The social work component of this program would be incorporated into the joint SAMHSA-HRSA Behavioral Health Workforce Education and Training program. Out of \$7.9 million total, \$1 million will be targeted to schools of social work for developing the next generation of public health providers, a program that was formerly funded through the Maternal and Child Health Bureau of HRSA.

Ongoing Areas of Interest

The **Nursing Workforce Development** programs would receive \$144 million in the President's budget request, the same level as FY 2014. The **Nursing Loan Repayment and Scholarships** would receive \$80 million bringing the total to \$224 million for the Title VIII nursing programs.

Injury prevention at CDC would receive \$194 million which is an increase of \$43 million above the FY 2014 level. Funding would support prevention activities that include, but are not limited to, **intimate partner violence, sexual violence, elder falls, and motor vehicle crashes**. The budget also includes \$10 million to continue conducting research on the causes and prevention of gun violence.

The President's budget proposal would provide \$75 million for the Office of the National Coordinator for Health Information Technology (ONC), an increase of \$14 million above FY 2014. New investments would target safety of health IT through support for a new **Health IT Safety Center** and **public-private partnerships to enhance patient safety and health IT usability**.

Sources: Budget materials for the Department of Health and Human Services can be viewed at: <http://www.hhs.gov/budget/fy2015/fy-2015-budget-in-brief.pdf> and <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/budget.pdf>.

Department of Health and Human Services

(In millions)

	FY 2014 Enacted	FY 2015 Request	Request vs. FY 2014
HHS, total	962,554	1,020,284	57,730 (6.0%)
Health Resources and Services Administration (HRSA)	8,915	10,753	1,838 (20.6%)

<i>Title VII</i>	245	214	-30 (12.4%)
<i>Title VIII</i>	224	224	--
Substance Abuse and Mental Health Services Administration (SAMHSA)	3,631	3,568	-63 (1.7%)
<i>Center for Mental Health Services</i>	1,080	1,057	-23 (2.1%)
<i>Center for Substance Abuse Treatment</i>	2,181	2,117	-64 (2.9%)
<i>Center for Substance Abuse Prevention</i>	176	186	10 (5.7%)
Agency for Healthcare Research and Quality (AHRQ)	464	440	-24 (5.2%)
Food and Drug Administration (FDA)	4,387	4,745	358 (8.2%)
Centers for Disease Control and Prevention (CDC)	10,806	11,117	311 (2.9%)
<i>Chronic Disease prevention and Health Promotion</i>	1,188	1,078	-110 (-9.3%)
<i>National Institute for Occupational Safety and Health (NIOSH)</i>	333	281	-52 (15.6%)
<i>Environmental Health</i>	180	169	-11 (6.1%)
Indian Health Service (IHS)	5,761	5,989	228 (4.0%)
Administration on Community Living (ACL)	2,147	2,123	-24 (1.1%)
Administration for Children and Families (ACF)	17,683	17,046	-637 (3.6%)
Office of the National Coordinator for Health IT	60	75	15 (25.0%)



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