



FY 2012 Appropriations Update: Final Labor, Health and Human Services, Education Appropriations Bill

Lewis-Burke Associates LLC – December 16, 2011

Department of Education

The conference agreement would provide the Department of Education with \$71.27 billion, which is \$160 million or 0.2 percent below the FY 2011 funding level. The final conference would maintain the maximum Pell Grant at \$5,550, while making changes to the program to reduce cost. Those eligibility changes include changing the amount of income triggering an automatic estimated family contribution of zero from \$30,000 to \$23,000; requiring a high school diploma or General Equivalency Diploma (GED) to qualify for Pell; making changes to the minimum Pell Grant; and lowering the time of eligibility from 18 semesters (nine years) to 12 semesters (six years). In addition, the final bill would temporarily end the interest subsidy to undergraduate student loans in the six month period following graduation for loans made between July 1, 2012 and July 1, 2014. Some of these changes had been proposed in the earlier House draft bill, but the final conference report does not include all of the proposed changes. For example, the House draft bill expanded the definition of untaxed income to include welfare benefits, untaxed social security benefits, and earned income credit claimed for tax purposes; changes which would have been detrimental to the lowest income Pell recipients.

Earlier in the year, the Pell program faced a historic funding shortfall, and the *Budget Control Act* (BCA) included \$17 billion to shore up the program for FY 2012 and FY 2013. However, even with the shortfall funding and the changes to the eligibility requirements, the program still required \$22.8 billion in discretionary dollars to maintain the maximum Pell, making it one of the largest programs within the Labor, Health and Human Services, and Education bill. This amount is expected to increase next year and continue to place pressure on the entire appropriations bill.

Other federal financial aid programs, such as the Supplemental Educational Opportunity Grants (SEOG) and Federal Work Study, will be level funded at \$735.9 million and \$978.53 million, respectively. The federal Perkins loan program, which has not received federal funding for several years, would continue to receive no funding. The GEAR UP program will be level funded at \$302.81 million, but the federal TRIO programs, which include Upward Bound, will be funded at \$841.52 million, an increase of \$15 million or 1.8 percent over FY 2011. Conference language notes that the Department has been late in making the FY 2011 awards and asks that the Department prepare a report outlining the causes of the grant delays and possible solutions to remedy the delays. The Title V Hispanic Serving Institutions program will receive \$100.6 million, a reduction of \$3.7 million or 0.3 percent from FY 2011 funding.

The Fund for the Improvement of Postsecondary Education (FIPSE), which was previously an earmarked account, will receive \$3.5 million, a decrease of \$16.1 million or an 82 percent reduction from FY 2011 funding. Funding within FIPSE is directed to specific competitive grant programs, including the Training for Realtime Writers program and the European Union-United States Atlantis Program. Because of this limited funding, FIPSE is not expected to hold an FY 2012 general grant competition.

Within the Administration's priorities, Race to the Top will receive \$550 million, a \$148.60 million or 21 percent reduction from FY 2011 funding. The Investing in Innovation (i3) Fund is funded at \$149.7 million, level with FY 2011. Report language encourages the Department to include an early childhood education component in future Race to the Top and i3 grant competitions. The final bill provides \$60 million for the Promise Neighborhoods program, an increase of \$30.1 million or 50 percent over FY 2011 funding. While still below the \$150 million budget request, this increase demonstrates congressional support for the program. Other Administration priorities, such as the proposed ARPA-ED program, which would have funded advanced research projects, and the Effective Teaching and Learning for a Well-Rounded Education, which would have funded programs in civics and arts education, did not receive funding.

Title VI international programs will be funded at \$74.17 million, a reduction of \$1.55 million or 2 percent below FY 2011. This reduction is directed to the Institute for International Public Policy, which would receive zero funding in FY 2012. In the FY 2011 continuing resolution (CR), the Title VI programs took a large cut of \$50.1 million. The community and the Administration had supported a return to the FY 2010 funding level of \$125.8 million, but Congress was unable or unwilling to restore that funding. Language is included in the conference report that acknowledges that Title VI will likely only be able to fund continuation costs for current awards in FY 2012. It also encourages the Department to look for ways to support undergraduate study abroad programs and to continue to support instruction in less commonly taught foreign languages which are critical to national security.

The conference agreement includes language which consolidates the Javits Fellowship program into the Graduate Assistance in Areas of National Need (GAANN) program, as requested by the Administration. However, the final conference does not provide any increased funding for GAANN to take on this new requirement; it will be level funded at \$30.97 million. In FY 2011, Javits was funded at \$8.1 million but will be zeroed out in FY 2012.

The Institute for Education Sciences (IES) would be funded at \$594.78 million, \$14 million or a 2 percent reduction from FY 2011 funding. Within IES, \$11 million is directed to activities to "improve data coordination, quality, and use at the local, State, and national levels." In addition, language is included to clarify that funds for statewide longitudinal data systems can also be used to link state data systems together.

Additional details on the funding recommendations approved in the final bill are included in the chart below. **Please note that the amounts reported will be reduced by an across the board rescission of 0.189 percent, which is applied to all programs in the Labor, Health and Human Services, and Education bill with the exception of the Pell Grant program.**

Department of Health and Human Services

National Institutes of Health (NIH)

The Conference Agreement includes \$30.698 billion for the National Institutes of Health (NIH), an increase of \$299 million or 0.7 percent above FY 2011. However, this does not include a 1.83 percent across-the-board cut to offset disaster relief or an additional 0.189 percent cut to all programs in the

Labor, Health and Human Services, and Education Appropriations bill with the exception of the Pell Grant program.

The bill creates the National Center for Advancing Translational Sciences (NCATS), which is the top priority for NIH Director Francis Collins. The bill decreases the NIH salary cap from Executive Level I (\$199,700) to Executive Level II (\$179,700). This is a better outcome than the House draft bill, which recommended a lowering to Executive Level III but signals the first time Congress has decreased the NIH salary cap.

Within the \$576.5 million for NCATS, \$10 million is directed to the Cures Acceleration Network (CAN). Congress requests that NCATS charter an Institute of Medicine (IOM) work group to review, evaluate and identify issues related to the CAN authority and provide a report for use by the CAN Board to help it accelerate and expand the number of cures. Report language accompanying the bill notes that NCATS was created to address the need to develop models to assist research universities and institutes on the best ways to leverage and commercialize federally supported basic and applied biomedical research discoveries. Additionally, the bill provides \$457.7 million for the Clinical and Translational Science Awards (CTSAs), which is the same level as last year, and Congress recommends an IOM study be available within 18 months that evaluates the program.

The conference agreement moves the Institutional Development Award (IDeA) program to the National Institute of General Medical Sciences (NIGMS) and allocates \$276.5 million to the program, which is a \$45.9 million increase above last year. The conferees recommend that the increase be equally divided toward a new Centers of Biomedical Research Excellence (COBRE) competition and to support new awards for the IDeA Clinical Trial and Translation program to develop infrastructure for clinical and translational research in IDeA states. The conferees express concern that many institutions in Experimental Program to Stimulate Competitive Research (EPSCoR) states are ineligible for IDeA funding and encourage NIH to revise current eligibility criteria to take into account how the decreasing success rates are affecting IDeA eligibility.

In report language, Congress also strongly urges NIH to maintain extramural research at least at 90 percent of the NIH budget in FY 2012. Additionally, the report encourages NIH to establish safeguards to ensure the percentage of funds used to support basic research across NIH is maintained.

The report language also highlights the 2010 IOM study on clinical trials and directs NIH to conduct a trans-NIH review of the applicability of the IOM recommendations to all NIH institutes and centers that conduct clinical trials. It states that the review should examine ways to develop and strengthen NIH-wide policies with a focus on opportunities to improve the incorporation of innovative science, increase speed of initiation and completion, improve the means of setting priorities, and develop better incentives for participation in clinical trials.

Health Resources and Services Administration (HRSA)

The Committee recommends \$6.48 billion for HRSA in FY 2012. This is \$41.04 million or 0.6 percent less than FY 2011 level. Included in that total is \$30 million for Area Health Education Centers (AHECs), which is a \$3 million decrease from the FY 2011 level. The Bureau of Health Professions received \$734 million which is a decrease of about \$58.7 million from the FY 2011 level. The Committee restored level funding of \$268 million for Children's Hospital Graduate Medical Education, which was eliminated in the President's FY 2012 budget request.

Centers for Disease Control and Prevention (CDC)

The Committee recommends funding CDC at \$6.12 billion for FY 2012, which is \$157.09 million or 2.5 percent less than the FY 2011 level. Included in the bill is \$24 million for Education Research Centers under the National Institute for Occupational Safety and Health (NIOSH), which was eliminated the President's request. The bill also includes \$760 million for programs under Chronic Disease Prevention and Health Promotion, including \$18 million for Prevention Research Centers (PRCs). The Committee maintained separate funding lines for programs under Chronic Disease Prevention and Health Promotion and did not consolidate these programs into a new chronic disease competition as requested in the President's budget request.

Agency for Healthcare Research and Quality (AHRQ)

The Committee recommends funding AHRQ at \$369 million, which is \$3 million or 0.8 percent less than the FY 2011 level, and \$2.6 million or 0.7 percent above the President's budget request. The bill includes \$43 million for investigator-initiated research.

Centers for Medicare and Medicaid Services (CMS)

The Committee recommends total funding for CMS program management at \$3.88 billion which is an increase of \$240.62 million over the FY 2011 level. The Committee also recommends \$310.4 million for waste, fraud and abuse activities, same as the FY 2011 level.

Additional details on the funding recommendations approved in the final bill are included in the chart below. **Please note that the amounts reported will be reduced by an across the board rescission of 0.189 percent, which is applied to all programs in the Labor, Health and Human Services, and Education bill with the exception of the Pell Grant program.**

Final Labor, Health and Human Services, and Education Appropriations Bill, FY 2012

As reported by the Appropriations Conference Committee 12/16/2011

(In thousands of dollars)

	FY 2011 CR	FY 2012 Conf. Report	Conf. Report vs. House Draft	Conf. Report vs. Senate Mark	Conf. Report vs. FY 2011 CR
ED, total	71,430,022	71,276,968	2,226,058 (3%)	2,926,968 (4%)	-153,054 (<1%)
Federal Student Aid	24,670,000	24,538,000	--	-132,000 (<1%)	-132,000 (<1%)
Pell Grant	5,550*	5,550	0	0	0
Perkins Loan Program	0	0	0	0	0
Supplemental Education Opportunity Grants (SEOG)	735,990	735,990	0	0	0
Federal Work Study	978,531	978,531	0	0	0
Higher Education	1,903,000	1,873,000	--	-30,000 (2%)	-30,000 (2%)

Aid for Hispanic-Serving Institutions (Title V)	104,395	100,622	83,193 (477%)	-3,773 (4%)	-3,773 (4%)
Title VI	75,729	74,177	7,465 (11%)	-1,552 (2%)	-1,552 (2%)
FIPSE	19,607	3,500	3,500 (100%)	-16,107 (82%)	-16,107 (82%)
TRIO	826,522	841,522	15,000 (2%)	15,000 (2%)	15,000 (2%)
GEAR UP	302,816	302,816	0	0	0
Javits	8,084	0	0	-8,084 (100%)	-8,084 (100%)
GAANN	30,968	30,968	0	0	0
Institute of Education Sciences (IES)	608,786	594,788	-26,115 (4%)	-15,000 (2%)	-13,998 (2%)
Office of Innovation and Improvement	1,856,179	1,530,000	708,589 (86%)	-210,212 (12%)	-326,179 (18%)
Race to the Top	698,600	550,000	550,000 (100%)	-148,600 (21%)	-148,600 (21%)
Investing in Innovation (I3)	149,700	149,700	149,700 (100%)	0	0
Promise Neighborhoods	29,940	60,000	60,000 (100%)	0	30,060 (100%)
ARPA-ED	N/A	0	--	--	--

* Note that the Pell Grant is reported as the maximum grant available to a Pell eligible student. In FY 2011, the maximum Pell was \$5,550.

For additional information, including the Managers' Statement and full bill text, please see Division F of H.R. 2055 on the House Rules Committee website <http://rules.house.gov/billsthisweek.aspx?NewsID=666>.

National Institutes of Health

	FY 2011 CR	FY 2012 Conf. Report	Conf. Report vs. House Draft	Conf. Report vs. Senate Mark	Conf. Report vs. FY 2011 CR
NIH, total	30,399,189	30,698,190	-1,057,925 (3%)	199,901 (<1%)	299,001 (<1%)
National Cancer Institute (NCI)	5,058,577	5,081,788	-114,348 (2%)	80,165 (2%)	23,211 (<1%)
National Heart, Lung, and Blood Institute (NHLBI)	3,069,723	3,084,851	-63,141 (2%)	48,662 (2%)	15,128 (<1%)
National Institute of Dental and Craniofacial Research (NIDCR)	409,608	411,488	-8,881 (2%)	6,491 (2%)	1,880 (<1%)
National Institute of Diabetes and	1,792,224	1,800,447	-187,510 (9.4%)	28,402 (2%)	8,223 (<1%)

Digestive and Kidney Diseases (NIDDK)					
National Institute of Neurological Disorders and Stroke (NINDS)	1,622,003	1,629,445	-34,808 (2%)	25,704 (2%)	7,442 (<1%)
National Institute of Allergy and Infectious Diseases (NIAID)	4,775,968	4,499,215	-416,755 (9%)	-226,073 (5%)	-276,753 (6%)
National Institute of General Medical Sciences (NIGMS)	2,033,782	2,434,637	332,337 (16%)	87,328 (4%)	400,855 (20%)
Eunice Kennedy Shriver National Institute of Child Health and Human Development (NICHD)	1,317,854	2,434,637	1,082,448 (80%)	1,131,621 (87%)	6,046 (<1%)
National Eye Institute (NEI)	700,828	704,043	-15,016 (2%)	11,105 (2%)	3,215 (<1%)
National Institute of Environmental Health Sciences (NIEHS)	683,724	686,869	-13,668 (2%)	10,836 (2%)	3,145 (<1%)
National Institute on Aging (NIA)	1,100,481	1,105,530	-24,457 (2%)	17,439 (2%)	5,049 (<1%)
National Institute of Arthritis and Musculoskeletal and Skin Diseases (NIAMS)	534,349	536,801	-11,090 (2%)	8,469 (2%)	2,452 (<1%)
National Institute on Deafness and Other Communicatio	415,155	417,061	-8,982 (2%)	6,579 (2%)	1,906 (<1%)

n Disorders (NIDCD)					
National Institute of Nursing Research (NINR)	144,381	145,043	-3,071 (20%)	2,288 (2%)	1,906 (1%)
National Institute on Alcohol Abuse and Alcoholism (NIAAA)	458,286	460,389	-8,808 (2%)	7,262 (2%)	2,103 (<1%)
National Institute on Drug Abuse (NIDA)	1,050,542	1,055,362	-24,656 (2%)	16,648 (2%)	4,820 (<1%)
National Institute of Mental Health (NIMH)	1,477,292	1,483,068	-33,938 (2%)	22,397 (2%)	5,776 (<1%)
National Human Genome Research Institute (NHGRI)	511,497	513,844	-10,963 (2%)	8,106 (2%)	2,347 (<1%)
National Institute of Biomedical Imaging and Bioengineering (NIBIB)	313,802	338,998	16,892 (5%)	5,327 (2%)	25,196 (8%)
National Center for Research Resources (NCRR)	1,257,754	--	-1,397,900	--	-1,257,754 (100%)
National Center for Complementary and Alternative Medicine (NCCAM)	127,713	128,299	-2,703 (2%)	2,024 (2%)	586 (<1%)
National Institute on Minority Health and Health Disparities (NIMHD)	209,714	276,963	62,355 (29%)	4,313 (2%)	67,249 (32%)
John E. Fogarty International	69,436	69,754	-1,574 (2%)	1,101 (2%)	318 (<1%)

Center (FIC)					
National Library of Medicine (NLM)	344,933	346,478	-48,875 (12%)	-20,701 (6%)	1,545 (<1%)
National Center for Advancing Translational Sciences (NCATS)	--	576,456	--	-5,870 (1%)	576,456 (100%)
Cures Acceleration Network (CAN)	--	10,000	8,000 (80%)	-10,000 (50%)	--
Office of the Director (OD)*	1,166,963	1,461,880	263,468 (22%)	22,816 (2%)	294,917 (25%)
Common Fund	543,021	545,962	-10,928 (2%)	8,151 (2%)	2,941 (<1%)
Building and Facilities	49,900	125,581	--	--	75,681 (152%)

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Department of Health and Human Services

	FY 2011 CR	FY 2012 Conf. Report	Conf. Report vs. House Draft	Conf. Report vs. Senate Mark	Conf. Report vs. FY 2011 CR
HHS, total	573,138,484	588,943,611	-1,129,463 (<1%)	-722,538 (<1%)	15,805,127 (3%)
Health Resources and Services Administration (HRSA)	6,516,571	6,475,534	-41,037 (<1%)	221,017 (4%)	-41,037 (<1%)
Substance Abuse and Mental Health Services Administration (SAMHSA)	3,511,081	3,489,980	-21,101 (<1%)	-82,282 (2%)	-27,101 (<1%)
Agency for Healthcare Research and Quality (AHRQ)	372,053	369,053	-3,000 (<1%)	-3,000 (<1%)	-3,000 (<1%)
Center for Medicare and Medicaid Services (CMS)	493,002,320	509,824,423	16,822,103 (3%)	-706,645 (<1%)	16,822,103 (3%)
Centers for Disease Control and Prevention (CDC)	6,281,544	6,124,450	-157,094 (3%)	-942,000 (13%)	-157,094 (3%)

Administration on Aging (AOA)	1,497,322	1,473,703	-23,619 (2%)	-60,998 (4%)	-23,619 (2%)
Administration for Children and Families (ACF)	30,089,298	29,229,352	-859,946 (3%)	-19,160 (<1%)	-859,946 (3%)

*Note that the U.S. Food and Drug Administration (FDA) and Indian Health Services (IHS) are not including in this list because funding for these agencies are provided through the Senate Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill and the Senate Interior, Environment, and Related Agencies appropriations bill, respectively.

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