

## **FY 2018 Appropriations Update: Senate Appropriators Approve Labor, Health and Human Services, Education Bill**

*Lewis-Burke Associates—September 11, 2017*

On September 7, the Senate Appropriations Committee approved the fiscal year (FY) 2018 Labor, Health and Human Services, and Education bill (L-HHS-ED). For the second consecutive year, the bill received bipartisan support, which was led by L-HHS-ED Subcommittee Chair Roy Blunt (R-MO) and Ranking Member Patty Murray (D-WA). Much of the bipartisan support stemmed from the \$2 billion proposed increase for the National Institutes of Health (NIH), which would bring the agency to \$36.1 billion in FY 2018. The bill also would fund the Department of Education (ED) at \$68.3 billion, a \$29 million increase from the FY 2017 level.

These proposed funding levels, as well as others detailed below, are a clear rejection of cuts proposed by the Trump Administration to many programs funded through this bill. These levels also are higher than those proposed in the House version of the bill. This indicates that many of the final FY 2018 funding levels that are likely to be negotiated later this year should be lower than the numbers proposed in the Senate's bill, but still drastically higher than those proposed by the Administration.

### **National Institutes of Health**

The bill would provide \$36.1 billion for the NIH, an increase of \$2 billion (5.9 percent) above the FY 2017 enacted level and \$9.5 billion above the Trump Administration's request. The \$36.1 billion total includes \$496 million for specific initiatives in the NIH Innovation Account authorized in the *21<sup>st</sup> Century Cures Act*. This means that the increase to the NIH base budget would be \$1.9 billion (5.5 percent).

The bill includes a provision that would direct NIH to continue to pay facilities and administrative (F&A) costs at negotiated rates and prohibits the agency from altering F&A rates, even if the Office of Management and Budget (OMB) or the Department of Health and Human Services (HHS) seek to create new policies or establish new rates. The report accompanying the bill states that "the Committee rejects the Administration's proposal to cap F&A rates at 10 percent...F&A costs are not optional; they are a fundamental part of doing research." Similar language was included in the House version of the bill, so it is anticipated that the final FY 2018 spending package will prohibit any changes to NIH F&A costs.

The bill would provide increases for several research initiatives authorized by the *21<sup>st</sup> Century Cures Act*, including a \$140 million increase for the BRAIN Initiative, bringing total funding to \$400 million in FY 2018. Also included is \$370 million (an increase of \$70 million) for NIH precision medicine research, which includes \$290 million for the *All of Us* national cohort study and \$80 million for the National Cancer Institute (NCI) activities. The Cancer Moonshot would receive \$300 million, which is the same level as last year and as recommended in the House bill.

The bill would also provide \$1.82 billion for Alzheimer's Disease research, an increase of \$414 million, or 29.3 percent, over FY 2017 levels. In addition, the bill provides \$513 million for combating antibiotic resistant bacteria research at the National Institute of Allergy and Infectious Disease (NIAID), an increase of \$50 million over FY 2017 enacted levels. Related to the opioid crisis, the report accompanying the bill

urges the National Institute on Drug Abuse (NIDA) to partner with the pharmaceutical industry and experts in pain and addiction to explore the development of pain medication that is less likely to be abused.

Within the National Institute of General Medical Sciences (NIGMS), the bill would provide \$344.3 million for the Institutional Development Awards (IDeA) program, for a \$11 million increase above FY 2017. Within the National Center for Advancing Translational Sciences (NCATS), the bill would provide \$533.1 million for the Clinical and Translational Science Awards (CTSA) program, a \$17 million increase above FY 2017 levels. The report directs NCATS to continue funding CTSA hub awards for five years, in response to NCATS recently issuing four-year CTSA awards rather than the standard five-year.

Within the Office of the Director, the bill would provide \$575.3 million for the Common Fund, which would include \$12.6 million for the Gabriella Miller Kids First Research Act to support the fourth year of the ten-year Pediatric Research Initiative.

The bill would maintain the salary cap at Executive Level II (\$187,000), rejecting the Administration's proposal to lower the cap to Executive Level V (\$151,000). Additionally, unlike the House bill, the Senate bill does not include language prohibiting the support of research using fetal tissues derived from abortions. Rather, the bill directs NIH to begin a pilot to determine the adequacy of a donor network of human fetal tissue donated solely from stillbirths and spontaneous abortion.

### **Other Department of Health and Human Services**

The Senate Committee's bill would restore funding for Title VII health professions programs at the Health Resources and Services Administration's (HRSA) Bureau of Health Workforce. Most Title VII programs were proposed for elimination in the President's budget request. The Senate Committee's bill would provide \$50 million for the Behavioral Health Workforce Education and Training (BHWET) program and \$45.9 million for the Scholarships for Disadvantaged Students program. The Area Health Education Centers (AHECs) under Title VII would receive \$32.7 million in FY 2018, a \$2.5 million increase. The bill would also provide \$17 million for Public Health Workforce Development programs, which includes funding for preventative medicine. This is the same level as FY 2017. Under Title VIII, Nursing Workforce Development Programs would receive \$234.5 million for FY 2018 and Advanced Nursing Education programs would receive \$69.5 million.

At the Centers for Disease Control and Prevention (CDC), the President's budget request proposed creating a chronic disease and prevention block grant to states and eliminating several of the disease management and prevention programs. The Senate Committee's bill would reject that proposal and would instead provide \$1.06 billion for activities at the National Center for Chronic Disease Prevention and Health Promotion. This includes \$25.5 for Prevention Research Centers, the same as the FY 2017 enacted level. The Committee's bill would provide \$11.7 million for the Minority Fellowship Program at the Substance Abuse and Mental Health Services Administration (SAMHSA), which is the same level as FY 2017.

The Senate's Committee bill would also reject the proposal in the President's budget request to move the Agency for Healthcare Research and Quality (AHRQ) to NIH. The bill would instead provide \$324 million for activities at AHRQ, the same as the FY 2017 enacted level. Even though the Committee rejects this proposal, the Committee expresses concern that agencies that perform health services research are not coordinating activities to optimize federal investments, and would provide \$1 million

for an independent entity to study health services research supported by federal agencies and report back to Congress no later than 180 days of enactment of the bill.

The Senate's bill would also include language directing the Comptroller General to conduct a study on the potential of making graduate medical education (GME) payments to "mid-level" providers to allow providers such as nurse practitioners and physician assistants to practice to the full scope of practice. A report would be due from the Comptroller General to Congress in a year.

Similar to the House bill, the Senate bill would continue its support for programs to combat the opioid crisis by appropriating \$500 million to SAMHSA's "State Targeted Response to Opioid Crisis" program in FY 2018, as authorized in the *21st Century Cures Act*. This is in addition to \$500 million in funding which was already appropriated to the same program in FY 2017. The bill discourages SAMHSA from instituting a reapplication process for states to minimize administrative burdens and ensure continuity. The Senate bill also includes \$15 million in new funding for an opioid prevention grant on the development and distribution of evidence-based practices targeted to communities and community coalitions. The bill also encourages NIDA to continue research to better understand addiction, explore alternative pain management treatments, and better understand long-term effects of prescription opioid use.

### **Department of Education**

For FY 2018, the Senate Committee bill would fund ED at \$68.3 billion, a \$29 million increase from the FY 2017 level. This proposal represents a \$2.4 billion increase over the House appropriations bill and a \$9.3 billion increase over the President's budget request, a clear rejection of cuts proposed by the Administration.

The bill would provide \$6,020 for the maximum individual Pell Grant award for the 2018-2019 school year. This would be a \$100 increase from the current maximum award of \$5,920 and the first increase in discretionary funding added to the Pell Grant award in over a decade. In recent years, the maximum Pell Grant award was automatically increased with an inflation adjustment using mandatory funds, an authority that expired this year. The bill also rescinds \$2.6 billion from the current Pell Grant surplus fund.

Other student aid programs of interest to the higher education community would be unchanged from current funding levels, including the Supplemental Education Opportunity Grants (SEOG) Program at \$733 million and the Federal Work-Study program at \$990 million. The bill rejects President Trump's budget recommendation to eliminate the SEOG program and cut Federal Work-Study in half.

The bill would provide \$953 million for the TRIO programs, a \$3 million increase over the FY 2017 level, and provides flat funding of \$340 million for the GEAR UP program. While the Senate Committee bill rejects the significant cuts to these programs proposed by President Trump, the Committee's recommendation falls short of the House proposed levels for TRIO and GEAR UP, of \$1.01 billion and \$350 million respectively.

The bill rebuffs both the proposed elimination included in President Trump's budget request and cut in the House bill of the Title VI International Education and Foreign Language Studies program (Domestic and Overseas), providing flat funding. The bill also rejects the call by the Trump Administration to phase-out the Graduate Assistance in Areas of National Need (GAANN) program, although the Committee only provides \$23 million for the program, a \$5 million cut from FY 2017 enacted levels. Like the House bill, the Senate bill would provide level funding for the Title V Developing Hispanic Serving Institutions (HSI)

and the Promoting Post-Baccalaureate Opportunities for Hispanic Americans (PPOHA) programs, dismissing the slight cuts proposed in the President’s budget request.

Unfortunately, the Senate Committee bill fails to meet the proposed increase in the FY 2018 budget request for the Institute of Education Sciences (IES), cutting the program by \$5 million from current levels, \$16 million less than proposed by President Trump.

There are several policy recommendations of note included in the Committee bill, including calls for ED to implement Memorandums of Understanding with Departments of Defense, Veterans Affairs, and Treasury to improve the sharing of individual military records and tax data in order to speed up and improve financial aid processes. The Committee also expresses concern for how ED is managing the Public Service Loan Forgiveness (PSLF) program and calls for ED to provide greater guidance and clarity to PSLF applicants and improve how the Department is reviewing applications.

### National Institutes of Health

*As reported by the Senate Appropriations Committee on 9/7/2017  
(In thousands of \$)*

	FY 2017 Enacted	FY 2018 House	FY 2018 Senate	Senate vs. FY 2017	Senate vs. Request	Senate vs. House
<b>NIH total</b>	<b>33,259,557</b>	<b>35,184,000</b>	<b>36,084,000</b>	<b>2,824,443 (8.5%)</b>	<b>9,480,443 (35.6%)</b>	<b>900,000 (2.6%)</b>
<b>National Cancer Institute (NCI)</b>	5,371,926	5,471,181	5,858,270	486,344 (9.0%)	1,684,048 (40.3%)	387,089 (7.1%)
<b>National Heart, Lung, and Blood Institute (NHLBI)</b>	3,217,081	3,256,521	3,322,774	105,693 (3.3%)	787,971 (31.1%)	66,253 (2.0%)
<b>National Institute of Dental and Craniofacial Research (NIDCR)</b>	425,751	432,363	439,738	13,987 (3.3%)	118,989 (37.1%)	7,375 (1.7%)
<b>National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK)</b>	1,874,028	1,899,733	1,935,597	61,569 (3.3%)	486,063 (33.5%)	35,864 (1.9%)
<b>National Institute of Neurological Disorders and Stroke (NINDS)</b>	1,782,582	1,810,011	1,904,666	122,084 (6.8%)	591,668 (45.1%)	94,655 (5.2%)
<b>National Institute of Allergy and Infectious Diseases (NIAID)</b>	4,916,346	5,005,813	5,127,866	211,520 (4.3%)	1,345,196 (35.6%)	122,053 (2.4%)
<b>National Institute of General Medical Sciences (NIGMS)</b>	1,825,685	1,889,332	2,887,194	1,061,509 (58.1%)	1,481,685 (105.4%)	997,862 (52.8%)
Institutional Development Award (IDeA)	333,361	373,641	344,313	10,952 (3.3%)	N/A	-29,328 (7.8%)

<b>Eunice Kennedy Shriver National Institute of Child Health and Human Development (NICHD)</b>	1,379,684	1,401,727	1,426,092	46,408 (3.4%)	394,063 (38.2%)	24,365 (1.7%)
<b>National Eye Institute (NEI)</b>	732,855	743,881	758,552	25,697 (3.5%)	208,705 (38.0%)	14,671 (2.0%)
<b>National Institute of Environmental Health Sciences (NIEHS)</b>	714,261	725,387	737,727	23,466 (3.3%)	204,190 (38.3%)	12,340 (1.7%)
<b>National Institute on Aging (NIA)</b>	2,052,487	2,458,733	2,535,539	483,052 (23.5%)	1,231,998 (94.5%)	76,806 (3.1%)
<b>National Institute of Arthritis and Musculoskeletal and Skin Diseases (NIAMS)</b>	557,851	566,515	576,178	18,327 (3.3%)	158,280 (37.9%)	9,663 (1.7%)
<b>National Institute on Deafness and Other Communications Disorders (NIDCD)</b>	436,875	443,624	451,768	14,893 (3.4%)	125,922 (38.6%)	8,144 (1.8%)
<b>National Institute of Mental Health (NIMH)</b>	1,608,212	1,625,431	1,724,568	116,356 (7.2%)	522,667 (43.5%)	99,137 (6.1%)
<b>National Institute on Drug Abuse (NIDA)</b>	1,073,320	1,107,497	1,113,442	40,122 (3.7%)	248,444 (28.7%)	5,945 (1.2%)
<b>National Institute on Alcohol Abuse and Alcoholism (NIAAA)</b>	483,525	490,796	500,491	16,966 (3.5%)	139,135 (38.5%)	9,695 (2.0%)
<b>National Institute of Nursing Research (NINR)</b>	150,273	152,599	155,210	4,937 (3.3%)	41,522 (36.5%)	2,611 (1.7%)
<b>National Human Genome Research Institute (NHGRI)</b>	529,537	536,774	546,934	17,397 (3.3%)	147,312 (36.9%)	10,160 (1.9%)
<b>National Institute of Biomedical Imaging and Bioengineering (NIBIB)</b>	357,777	362,506	371,151	13,374 (3.7%)	88,537 (31.3%)	8,645 (2.4%)
<b>National Institute on Minority Health and Health Disparities (NIMHD)</b>	288,312	293,583	297,784	9,472 (3.3%)	83,061 (38.7%)	4,201 (1.4%)
<b>National Center for Complementary and Integrative Health (NCCIH)</b>	134,689	136,741	139,654	4,965 (3.7%)	37,861 (37.2%)	2,913 (2.1%)
<b>National Center for Advancing Translational Sciences (NCATS)</b>	705,903	718,867	729,094	23,191 (3.3%)	171,721 (30.8%)	10,227 (1.42%)

<b>John E. Fogarty International Center (FIC)</b>	72,014	73,353	74,380	2,366 (3.3%)	74,380 (100%)	1,027 (1.4%)
<b>National Library of Medicine (NLM)</b>	407,510	413,848	420,898	13,388 (3.3%)	47,640 (12.8%)	7,050 (1.7%)
<b>Office of the Director (OD)</b>	1,667,610	1,705,248	1,796,970	129,360 (7.8%)	467,137 (35.1%)	91,722 (5.4%)
Common Fund	682,856	682,980	575,290	-107,566 (15.8%)	133,467 (30.2%)	-107,690 (15.8%)
<b>Buildings and Facilities</b>	128,863	128,863	128,863	--	30,248 (30.7%)	--

### Department of Health and Human Services (Other)\*

As reported by the Senate Appropriations Committee on 9/7/2017  
(in millions of \$)

	FY 2017 Enacted	FY 2018 House	FY 2018 Senate	Senate vs. FY 2017	Senate vs. Request	Senate vs. House
<b>Health Resources and Services Administration (HRSA)</b>	<b>6,461</b>	<b>6,091</b>	<b>6,465</b>	<b>4</b> <b>(0.06%)</b>	<b>649</b> <b>(11.2%)</b>	<b>371</b> <b>(6.1%)</b>
Title VII <sup>†</sup>	309	237	N/A <sup>†</sup>	N/A	N/A	N/A
Title VIII	229	211	235	6 (2.6%)	152 (183.1%)	24 (11.4%)
<b>Substance Abuse and Mental Health Services Administration (SAMHSA)</b>	<b>3,765</b>	<b>3,458</b>	<b>3,777</b>	<b>12</b> <b>(0.3%)</b>	<b>387</b> <b>(11.4%)</b>	<b>319</b> <b>(9.2%)</b>
Mental Health Services	1,181	949	1,181	--	269 (29.5%)	232 (24.4%)
Substance Abuse Treatment	2,212	2,211	2,212	--	16 (0.7%)	1 (0.04%)
Substance Abuse Prevention	223	165	238	15 (6.7%)	88 (58.7%)	73 (44.2%)
<b>Agency for Healthcare Research and Quality (AHRQ)<sup>‡</sup></b>	<b>324</b>	<b>300</b>	<b>324</b>	<b>--</b>	<b>N/A</b>	<b>24</b> <b>(8.0%)</b>
<b>Centers for Disease Control and Prevention (CDC)<sup>§</sup></b>	<b>7,255</b>	<b>7,056</b>	<b>7,175</b>	<b>-80</b> <b>(1.1%)</b>	<b>1,145</b> <b>(19.0%)</b>	<b>119</b> <b>(1.7%)</b>
Chronic Disease Prevention and Health Promotion	1,115	1,041	1,065	-50 (4.5%)	113 (11.9%)	24 (2.3%)
National Institute for Occupational Safety and Health (NIOSH)	335	325	335	--	135 (67.5%)	10 (3.1%)
Environmental Health	215	159	181	-34 (15.8%)	24 (15.3%)	22 (13.8%)

<b>Administration on Community Living (ACL)</b>	<b>1,993</b>	<b>2,237</b>	<b>1,993</b>	--	<b>142</b> <b>(7.7%)</b>	<b>-244</b> <b>(10.9%)</b>
National Institute on Disability, Independent Living and Rehabilitation Research	104	104	104	--	9 (9.5%)	--
<b>Office for the National Coordinator for Health IT</b>	<b>60</b>	<b>38</b>	<b>60</b>	--	<b>22</b> <b>(57.9%)</b>	<b>22</b> <b>(57.9%)</b>
<b>Administration for Children and Families (ACF)</b>	<b>33,974</b>	<b>33,859</b>	<b>34,442</b>	<b>468</b> <b>(13.8%)</b>	<b>6,295</b> <b>(22.4%)</b>	<b>583</b> <b>(17.2%)</b>

\* The chart reflects the total program level funding, combining discretionary and mandatory funding.

† Total amount not included in the bill.

‡ AHRQ's funding would be moved to NIH in the Administration's FY 2018 budget proposal.

§ The CDC funding levels do not include the Agency for Toxic Substances and Disease Registry (ATSDR).

## Department of Education

*As reported by the Senate Appropriations Committee on 9/7/2017  
(In thousands of \$)*

	<b>FY 2017 Enacted</b>	<b>FY 2018 House</b>	<b>FY 2018 Senate</b>	<b>Senate vs. FY 2017</b>	<b>Senate vs. Request</b>	<b>Senate vs. House</b>
<b>Elementary and Secondary Education<sup>†</sup></b>						
Title I Funding/Grants to LEAs	15,459,802	15,459,802	15,485,210	25,408 (0.16%)	-396,290 (-2.50%)	25,408 (0.16%)
Promise Neighborhoods	73,254	60,000	73,254	--	13,254 (22.09%)	13,254 (22.09%)
<b>Innovation and Improvement<sup>†</sup></b>						
Education Innovation and Research	100,000	0	95,000	-5,000 (-5.00%)	-275,000 (-74.32%)	95,000 (100%)
<b>Student Financial Assistance<sup>†</sup></b>						
Pell Grant <sup>‡</sup>	5,920	5,920	6,020	100 (1.69%)	100 (1.69%)	100 (1.69%)
Perkins Loan Program	0	0	0	--	--	--
SEOG	733,130	733,130	733,130	--	733,130 (100%)	--
Federal Work-Study	989,728	989,728	989,728	--	489,728 (97.95%)	--
<b>Higher Education<sup>†</sup></b>						
Title V Aid for Developing HSIs	107,795	107,795	107,795	--	205 (0.19%)	--

Promoting Post-Baccalaureate Opportunities for Hispanic Americans	9,671	9,671	9,671	--	18 (0.19%)	--
Title VI Int'l Education and Foreign Lang. Studies (Domestic and Overseas)	72,164	65,103	72,164	--	72,164 (100%)	7,061 (10.85%)
TRIO Programs	950,000	1,010,000	953,000	3,000 (0.32%)	144,711 (17.90%)	-57,000 (-5.64%)
GEAR UP	339,754	350,000	339,754	--	120,754 (55.14%)	-10,246 (-2.93%)
GAANN	28,047	5,775	23,047	-5,000 (-17.83%)	17,272 (299.08%)	17,272 (299.08%)
<b>Institute of Education Sciences</b>	<b>605,267</b>	<b>605,767</b>	<b>600,267</b>	<b>-5,000 (-0.83%)</b>	<b>-16,572 (-2.69%)</b>	<b>-5,500 (-0.91%)</b>
Research, Development and Dissemination	187,500	187,500	185,000	-2,500 (-1.33%)	-9,629 (-4.95%)	-2,500 (-1.33%)
Research in Special Education	54,000	54,000	54,000	--	103 (0.19%)	--
Regional Education Laboratories	54,423	54,423	54,423	--	103 (0.19%)	--
Statewide Longitudinal Data Systems	32,281	32,281	32,281	--	-2,192 (-6.36%)	--

\* Unless otherwise noted, all funding in chart is discretionary.

‡ Categories included for ease of reading the chart.

§ The Pell Grant is listed as the total maximum grant award an individual could receive, including mandatory and discretionary funding. It is *not* listed in thousands of dollars.