

FY 2019 Appropriations Update: House Appropriators Set to Consider Labor, Health and Human Services, Education Bill

Lewis-Burke Associates LLC – June 27, 2018

On June 15, the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies (L-HHS-ED) approved their fiscal year (FY) 2019 appropriations bill by voice vote. The FY 2019 L-HHS-ED bill includes \$177.1 billion in funding, the same amount as the FY 2018 enacted level. Consideration of the FY 2019 bill by the full House Appropriations Committee has been twice postponed due to scheduling and political conflicts unrelated to the substance of the L-HHS-ED appropriations bill. It is expected that the full Committee will approve the bill without significant changes when the House returns from its Fourth of July recess.

The bill would provide a total of \$38.3 billion for the National Institutes of Health (NIH), an increase of \$1.25 billion (3.4 percent) above the FY 2018 enacted level and \$4.1 billion above the President's FY 2019 budget request. The total includes \$711 million for specific initiatives in the NIH Innovation Account authorized in the *21st Century Cures Act*. The House Committee bill would fund the Department of Education (ED) at \$74 billion which is \$113 million above the FY 2018 enacted level and \$7.8 billion above the President's budget request for the agency. The House Committee largely rejects the President's proposed cuts to higher education programs at ED.

The bill generally maintains funding at the FY 2018 level for several health programs and initiatives important to academic institutions. However, since many of these programs received increases in the FY 2018 omnibus, level funding is higher than in previous years for activities such as health workforce education and training at the Health Resources and Services Administration (HRSA). In addition, the bill would again reject many of the Administration's proposals to consolidate, cut, or eliminate funding for health programs, including workforce programs. The House bill would also continue to prioritize funding aimed at addressing the opioid epidemic.

National Institutes of Health

The bill would provide a total of \$38.3 billion for the NIH, an increase of \$1.25 billion (3.4 percent) above the FY 2018 enacted level and \$4.1 billion above the President's FY 2019 budget request. The total includes \$711 million for specific initiatives in the NIH Innovation Account authorized in the *21st Century Cures Act (Cures)*.

As prescribed in Cures, the bill would provide funding for several research initiatives supported by the NIH Innovation Account, including \$400 million for the Cancer Moonshot, which is transferred to the National Cancer Institute (NCI), and \$115 million for the BRAIN Initiative, with \$57.5 million directed to the National Institute of Neurological Disorders and Stroke (NINDS) and \$57.5 million to the National Institute of Mental Health (NIMH). In conjunction with the Innovation Account funding, the bill directs an additional \$314 to the BRAIN Initiative for a total of \$429 million in FY 2019, which is \$29 million above the current level. The Innovation Account also would provide \$10 million for regenerative medicine and \$186 million for the Precision Medicine Initiative, both of which are administered by the Office of the Director.

Rejecting the Administration's proposal to cap the percentage of an investigator's salary that can be paid with grant funds at 90 percent, the bill does not direct changes to salary support. The report accompanying the bill includes language directing the NIH to perform an analysis of the projected impact of such a policy change on "the number and average cost of NIH grants, as well as on academic institutions, in the fiscal year 2020 Congressional Justification." The bill would also retain the salary cap at Executive Level II (\$189,600), rejecting the FY 2019 budget request proposal to decrease it to Level V (\$153,800).

While no new funding would be provided for opioid research in FY 2019, the \$500 million Congress included in the FY 2018 omnibus appropriations bill is available until the end of FY 2019. In the report, the Committee commends NIH for launching the Helping to End Addiction Long-Term (HEAL) Initiative and urges the agency to expand its research in FY 2019.

The bill also would provide \$2.25 billion for Alzheimer's Disease research, an increase of \$401 million above FY 2018. The accompanying report urges the National Institute on Aging (NIA) to diversify its cohort studies to include rural, poor, and minority populations that may be at enhanced risk for dementia. The bill includes an increase of \$15 million for combating antibiotic-resistant bacteria for a total of \$538 million for that research within the National Institute of Allergy and Infectious Diseases (NIAID). The report requests an update on antimicrobial activities in the FY 2020 Congressional Justification.

Within the National Institute of General Medical Sciences (NIGMS), the bill would direct \$365.6 million to the Institutional Development Awards (IDeA) program for a \$15 million increase above FY 2018. Within the National Center for Advancing Translational Sciences (NCATS), the bill would provide \$542.8 million to the Clinical and Translational Science Awards (CTSA) program, which would be level with last year.

Within the Office of the Director, the bill would provide \$601.6 million for the Common Fund, which would include \$12.6 million for the Gabriella Miller Kids First Pediatric Research Program to support the fifth year of the ten-year Pediatric Research Initiative.

Other Department of Health and Human Services

The bill generally maintains funding at the FY 2018 level for several health programs and initiatives important to academic institutions. However, since many of these programs received increases in the FY 2018 omnibus, level funding is higher than in previous years for activities such as health workforce education and training at HRSA. In addition, the bill would again reject many of the Administration's proposals to consolidate, cut, or eliminate funding for health programs, including workforce programs. The House bill would also continue to prioritize funding aimed at addressing the opioid epidemic.

Overall, the House bill would reject proposals outlined in the President's FY 2019 budget request to move the Agency for Healthcare Research and Quality (AHRQ), the National Institute for Occupational Safety and Health (NIOSH), and the National Institute on Disability, Independent Living, and Rehabilitation Research (NIDILRR) to NIH. However, the bill would move the Strategic National Stockpile (SNS) from the Centers for Disease Control and Prevention (CDC) to the Assistant Secretary for Preparedness and Response (ASPR), which was also proposed in the President's federal reorganization plan last week.

The bill would fund HRSA at approximately \$6.5 billion, which is \$196 million below the FY 2018 enacted level. However, the bill would again not adhere to the President's budget request to eliminate most of the Title VII health professions and Title VIII Nursing Workforce Development programs at HRSA. Instead, Title VII health professions programs would largely receive flat funding; these programs were increased in the FY 2018 omnibus. However, the bill would eliminate the Health Careers Opportunity Program (HCOP) under Title VII. In addition, the Committee would increase investments that train the mental and behavioral healthcare workforce, including \$82.5 million for the Behavioral Health Workforce Education and Training (BHWET) program, which is a \$7.5 million increase above the FY 2018 enacted level. The Area Health Education Centers (AHEC) would also receive a \$2 million increase, with a total of \$38.25 million allocated for the program. The Primary Care Training and Enhancement (PCTE) Program would receive level funding at \$48.9 million, but the Committee encourages HRSA to prioritize funds for the training of physician assistants under this program. The Geriatrics Workforce Enhancement Program (GWEP) would also receive level funding totaling \$40.73 million; notably HRSA has indicated it plans to re-compete this program in the next fiscal year if the GWEP eventually receives funding in FY 2019.

Title VIII Nursing Workforce Development programs at HRSA would receive \$241.47 million in the House bill, which is \$8 million below the FY 2018 enacted level. The \$8 million cut to Title VIII programs would be the result of eliminating funding for the Advanced Education Nursing program. All other Title VIII programs would receive flat funding.

With respect to Graduate Medical Education (GME) activities within HRSA's jurisdiction, the Committee would use its authority to expand primary care training for healthcare professions. The bill would provide \$200 million in grants to "four-year public universities" to expand training in states with provider shortages, giving priority to states with a primary care provider shortage, and further priority to universities that serve a large percentage of Medicaid beneficiaries or are in a state with a large tribal population. HRSA's Children's Hospital Graduate Medical Education (CHGME) program would also receive \$325 million, which is \$10 million above the FY 2018 enacted level.

Given the nation's growing opioid epidemic, the Substance Abuse and Mental Health Services Administration (SAMHSA) would receive \$448 million above the FY 2018 enacted level, with a total of \$5.6 billion allocated for the agency to carry out activities in FY 2019. The bill would also dedicate the bulk of opioid-related funding to SAMHSA, with \$3.85 billion to address substance abuse, including \$1 billion for State Opioid Response grants designed to help states combat the opioid epidemic, as authorized in Cures and the *Comprehensive Addiction Recovery Act* (CARA).

The CDC would receive \$7.6 billion, which is \$663 million below the FY 2018 enacted level. However, when discounting the bill's programmatic transfer of the Strategic National Stockpile (SNS) from the CDC to the Assistant Secretary for Preparedness and Response (ASPR) and one-time facilities funding for a new lab at CDC, the bill would provide a \$427 million increase above the FY 2018 enacted level. Despite this increase, several CDC programs were eliminated consistent with the President's budget request including: the CDC's Climate and Health Program, Climate Change Program, and Teen Pregnancy Prevention grants. The bill also would reinforce the prohibition against the use of CDC funds to advocate or promote gun control; however, as clarified in the FY 2018 omnibus bill, the CDC is not prohibited from conducting research on firearm violence as long as it does not promote gun control. The Committee would also encourage the CDC to competitively award grants to entities using a "One Health" approach in research activities addressing antibiotic resistance and specifically mentions "public

academic medical centers and veterinary schools with agricultural extension services” as eligible entities. The Committee did not indicate a specific amount of funding to be set aside for this activity.

The Committee uses its bill to express support for the 340B Drug Pricing program and asserts its authority to address some of the issues surrounding the program. In general, the 340B program has been receiving attention in both the House and Senate, especially regarding HRSA’s oversight and administration of the program. The House bill would include an increase of \$5 million for oversight of the 340B Drug Pricing program to support additional audits, “finalize guidance to clarify parameters of the 340B Program,” and finish rulemaking in areas HRSA has authority to do so. The Committee also expresses its support for HRSA to complete its work to make 340B ceiling prices available, which the Administration has repeatedly delayed. The Committee states that it is not including language to implement a user fee for the program, as proposed in the President’s budget request, or enact additional regulatory authority, which the Appropriations Committee states is better left to the authorizing committees with jurisdiction over the program.

Of note to academic medical centers, the bill would not provide additional funding at the Centers for Medicare and Medicaid Services (CMS) to implement programs under the *Patient Protection and Affordable Care Act* (ACA). The Committee also expresses support for recent CMS activities, which clarify the Center for Medicare and Medicaid Innovation’s (CMMI) authority in testing new payment models rather than implementing mandatory changes without soliciting feedback from Congress and other stakeholders. The Committee also urges CMS to develop a formal process for testing CMMI models and reporting the impacts of innovative payment models to Congress.

The Office of the National Coordinator for Health IT (ONC), would receive \$42.7 million, which is \$17.6 million below the FY 2018 enacted level. Despite rhetoric by HHS Secretary Alex Azar on the importance of health IT to the Department’s activities, specifically around patient engagement and empowerment, the House proposes cuts to ONC in its bill. The health IT community has repeatedly voiced concerns with cuts, specifically citing ONC’s importance in carrying out the *21st Century Cures Act*, that calls on ONC to perform several new functions central to the law’s successful implementation. According to the community, any cuts to ONC would greatly inhibit the agency’s important role in performing implementation activities. Despite the proposed cuts, in the accompanying report language the Committee identifies Patient Data Matching as a priority area for ONC and notably encourages “the Secretary, acting through the ONC and CMS, to provide technical assistance to private-sector-led initiatives to develop a coordinated national strategy that will promote patient safety by accurately identifying patients to their health information.” Additionally, and keeping in line with a broader federal effort to curb the opioid epidemic, the Committee encourages ONC to continue to fund pilot projects to improve the ability of state prescription drug monitoring programs (PDMPs) to communicate and interact with electronic health record (EHR) systems.

Department of Education

The House Committee bill would fund the Department of Education (ED) at \$74 billion which is \$113 million above the FY 2018 enacted level and \$7.8 billion above the President’s budget request for the agency. The House Committee largely rejects the President’s proposed cuts to higher education programs at ED.

The bill would provide \$6,095 for the maximum individual Pell Grant award for the 2019-2020 school year, reflecting level funding. For the second year in a row, the maximum Pell Grant award will no

longer automatically increase with an inflation adjustment each year, as the inflationary indexing authority expired in FY 2017.

Other student aid programs of interest to the higher education community would maintain current funding levels under the House Committee bill, including the Supplemental Education Opportunity Grants (SEOG) program and Federal Work-Study (FWS) program, which would be provided \$840 million and \$1.13 billion, respectively. The President's budget request for FY 2019 proposed eliminating the SEOG program and cutting FWS substantially.

Both the TRIO and the GEAR UP programs would be provided increases of \$50 million and \$10 million over current funding levels, at \$1.06 billion for TRIO and \$360 million for GEAR UP, rejecting President Trump's proposed cut to the TRIO programs. The Title V Developing Hispanic Serving Institutions (HSI) program and the Promoting Post-Baccalaureate Opportunities for Hispanic Americans (PPOHA) program would be level with FY 2018 enacted funding, rejecting the President's budget request proposal to consolidate several minority-serving institution programs.

The bill proposes level funding of \$72 million for the Title VI International Education and Foreign Language Studies programs. The bill includes language stating these programs should support "advanced foreign language training and international studies in areas that are vital to United States national security and who plan to apply their language skills and knowledge of these countries in the fields of government, the professions, or international development." The bill would maintain the Graduate Assistance in Areas of National Need (GAANN) program at \$23 million, reflecting a recent low for the program, which for many years had been funded at approximately \$30 million.

The Committee bill would also keep the Institute of Education Sciences (IES) funding level with the FY 2018 enacted amount of \$613 million, which is \$92 million above the President's budget request level.

In terms of policy proposals, the Committee bill notes concern for the lack of transparency of relationships between "certain foreign source organizations" and higher education institutions, particularly foreign source organizations "that may lead to censorship and other threats to academic freedom." The Committee recommends the Secretary of Education require institutions to file a public disclosure report with ED of "any contractual agreements with foreign source organizations that do not respect the principles of free expression and openness."

The bill also includes language preventing ED funds from being used to decentralize ED's Budget Services office, similar to language included in the FY 2018 bill. The bill would also extend through fiscal year 2019 the National Advisory Committee on Institutional Quality and Integrity (NACIQI), which advises the Department on college accreditors.

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National Institutes of Health

(in thousands of \$)

	FY 2018 Enacted	FY 2019 Request	FY 2019 House	House vs. FY 2018 Enacted	House vs. FY 2019 Request
NIH, Total	37,084,000	34,588,391	38,334,000	1,250,000 (3.4%)	3,745,609 (10.8%)
National Cancer Institute (NCI)	5,664,800	5,626,000	6,136,037	471,237 (8.3%)	510,037 (9.1%)
National Heart, Lung, and Blood Institute (NHLBI)	3,383,201	3,112,032	3,423,604	40,403 (1.2%)	311,572 (10.0%)
National Institute of Dental and Craniofacial Research (NIDCR)	447,735	413,196	453,082	5,347 (1.2%)	39,886 (9.7%)
National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK)	1,970,797	1,965,434	1,994,333	23,536 (1.2%)	28,899 (1.5%)
National Institute of Neurological Disorders and Stroke (NINDS)	2,145,149	1,838,556	2,228,780	83,631 (3.9%)	390,224 (21.2%)
National Institute of Allergy and Infectious Diseases (NIAID)	5,260,210	4,761,948	5,368,029	107,819 (2.0%)	606,081 (12.7%)
National Institute of General Medical Sciences (NIGMS)	2,785,400	2,572,669	2,818,667	33,267 (1.2%)	245,998 (9.6%)
Institutional Development Award (IDeA)	350,575	N/A	365,575	15,000 (4.3%)	N/A
Eunice Kennedy Shriver National Institute of Child Health and Human Development (NICHD)	1,452,006	1,339,592	1,469,346	17,340 (1.2%)	129,754 (9.7%)
National Eye Institute	772,317	711,015	781,540	9,223 (1.2%)	70,525 (9.9%)
National Institute of Environmental Health Sciences (NIEHS)	751,143	693,199	760,113	8,970 (1.2%)	66,914 (9.7%)
National Institute on Aging (NIA)	2,574,091	1,988,200	3,005,831	431,740 (16.8%)	1,017,631 (51.2%)
National Institute of Arthritis and Musculoskeletal and Skin Diseases (NIAMS)	586,661	545,494	593,663	7,002 (1.2%)	48,169 (8.8%)
National Institute on Deafness and Other	459,974	423,992	465,467	5,493 (1.2%)	41,475 (9.8%)

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Communications Disorders (NIDCD)					
National Institute of Mental Health (NIMH)	1,711,775	1,612,192	1,790,231	78,456 (4.6%)	178,039 (11.0%)
National Institute on Drug Abuse (NIDA)	1,383,603	1,137,403	1,400,126	16,523 (1.2%)	262,723 (23.1%)
National Institute on Alcohol Abuse and Alcoholism (NIAAA)	509,573	469,109	515,658	6,085 (1.2%)	46,549 (9.9%)
National Institute on Nursing Research (NINR)	158,033	145,842	159,920	1,887 (1.2%)	14,078 (9.7%)
National Human Genome Research Institute (NHGRI)	556,881	512,979	563,531	6,650 (1.2%)	50,552 (9.9%)
National Institute of Biomedical Imaging and Bioengineering (NIBIB)	377,871	346,550	382,384	4,513 (1.2%)	35,834 (10.3%)
National Institute on Minority Health and Health Disparities (NIMHD)	303,200	280,545	306,821	3,621 (1.2%)	26,276 (9.4%)
National Center for Complementary and Integrative Health (NCCIH)	142,184	130,717	143,882	1,698 (1.2%)	13,165 (10.1%)
National Center for Advancing Translational Sciences (NCATS)	742,354	685,087	751,219	8,865 (1.2%)	66,132 (9.7%)
John E. Fogarty International Center (FIC)	75,733	70,084	76,637	904 (1.2%)	6,553 (9.4%)
National Library of Medicine (NLM)	428,553	395,493	433,671	5,118 (1.2%)	38,178 (9.7%)
Office of the Director (OD)	1,803,293	1,795,706	1,902,828	99,535 (5.5%)	107,122 (6.0%)
Common Fund	588,116	586,181	595,139	7,023 (1.2%)	8,958 (1.5%)
NIH Innovation Account¹	496,000	711,000	711,000²	215,000 (43.3%)	--
Building Facilities	128,863	200,000	200,000	71,137 (55.2%)	--

¹ The NIH Innovation Account, authorized in the Cures Act, is derived from mandatory funding, rather than discretionary funding that supports most NIH activities. Per statute, the Account supports four specific NIH initiatives and will end in FY 2026, hence, it is not considered part of the NIH base budget.

² The funds in the NIH Innovation Account are distributed among several institutes, including \$400 million to NCI for the Cancer Moonshot and \$57.5 million each to NINDS and NIMH for the BRAIN Initiative. The totals for these agencies reflects the transfer of these funds. The Innovation Account total in this chart of \$711 million includes the Moonshot and BRAIN funding transferred to the ICs.

Department of Health and Human Services (Other)

(In millions of \$)

	FY 2018 Enacted	FY 2019 Request	FY 2019 House	House vs. FY 2018 Enacted	House vs. FY 2019 Request
Health Resources and Services Administration (HRSA)	7,014	9,877	6,858	-156 (2.2%)	-3,019 (30.6%)
Title VII	396	65	371**	-25 (6.3%)	306 (470.8%)
Title VIII	249	83	241	-8 (3.2%)	158 (190.4%)
Substance Abuse and Mental Health Services Administration (SAMHSA)	5,159	3,547	5,607	448 (8.7%)	2,060 (58.1%)
Mental Health Services	1,487	1,065	1,344	-143 (9.6%)	279 (26.2%)
Substance Abuse Treatment	3,264	2,113	3,850	586 (18.0%)	1,737 (82.2%)
Substance Abuse Prevention	248	221	249	1 (0.4%)	28 (12.7%)
Agency for Healthcare Research and Quality (AHRQ)	334	N/A*	334	--	N/A
Centers for Disease Control and Prevention (CDC)	8,301	5,661	7,638	-663 (8.0%)	1,977 (34.9%)
Chronic Disease Prevention and Health Promotion	1,163	939	1,197	34 (2.9%)	258 (27.5%)
National Institute for Occupational Safety and Health (NIOSH)	335	N/A*	335	--	N/A
Environmental Health	206	157	196	-10 (4.9%)	39 (24.8%)
Administration on Community Living (ACL)	2,172	1,819	2,182	10 (0.5%)	363 (20.0%)
National Institute on Disability, Independent Living, and Rehabilitation Research (NIDILRR)	105	N/A*	105	--	N/A
Administration for Children and Families (ACF)	38,219	30,599	38,115	-104 (0.3%)	7,516 (24.6%)
Office of the National Coordinator for Health IT (ONC)	60	38	43	-17 (28.3)	5 (13.2%)

* These programs would have been consolidated within the National Institutes for Health under the FY 2019 President's Budget Request

**Does not include funding for Screening and Treatment for Maternal Depression.

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Department of Education

(In thousands of \$)

	FY 2018 Enacted	FY 2019 Request	FY 2019 House	House vs. FY 2018 Enacted	House vs. FY 2019 Request
ED, Total	74,320,337	63,225,000	74,433,012	112,675 (0.2%)	11,208,012 (17.7%)
Promise Neighborhoods	78,254	0	78,254	--	78,254 (N/A)
Innovation and Improvement*					
Education Innovation and Research	120,000	180,000	145,000	25,000 (20.8%)	-35,000 (-19.44%)
Student Financial Assistance*					
Pell Grant [†]	6,095	5,920	6,095	--	175 (3.0%)
SEOG	840,000	0	840,000	--	840,000 (N/A)
Federal Work-Study	1,130,000	500,000	1,130,000	--	630,000 (126.0%)
Higher Education*					
Title V Aid for Developing HSIs	123,183	0	123,183	--	123,183 (N/A)
Promoting Post-Baccalaureate Opportunities for Hispanic Americans	11,052	0	11,052	--	11,052 (N/A)
Title VI International Education and Foreign Language Studies (Domestic and Overseas)	72,164	0	72,164	--	72,164 (N/A)
TRIO Programs	1,010,000	950,000	1,060,000	50,000 (5.0%)	110,000 (11.6%)
GEAR UP	350,000	0	360,000	10,000 (2.9%)	360,000 (N/A)
GAANN	23,047	0	23,047	--	23,047 (N/A)
Institute of Education Sciences	613,462	521,563	613,462	--	91,899 (17.6%)
Research, Development and Dissemination	192,695	187,500	192,695	--	5,195 (2.8%)
Research in Special Education	56,000	54,000	56,000	--	2,000 (3.7%)
Regional Education Laboratories	55,423	0	55,423	--	55,423 (N/A)
Statewide Longitudinal Data Systems	32,281	0	32,281	--	32,281 (N/A)

* Categories included for ease of reading the chart.

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† 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.

Sources and Additional Information:

- The bill is available at <https://docs.house.gov/meetings/AP/AP07/20180615/108431/BILLS-115-SC-AP-FY2019-LaborHHS-LaborBill.pdf>.
- The report accompanying the bill is available at https://appropriations.house.gov/uploadedfiles/labor_report.pdf.