

# Analysis of the House FY 2018 Labor, Health and Human Services, Education, and Related Agencies Appropriations Bill | July 20, 2017

On July 19, the House Appropriations Committee approved its fiscal year (FY) 2018 Labor, Health and Human Services, Education, and Related Agencies (Labor-HHS) Appropriations Bill; the Labor-HHS Subcommittee advanced the bill on July 13. This bill contains annual funding for the National Institutes of Health (NIH), Department of Education (ED), Centers for Disease Control and Prevention (CDC), Agency for Healthcare Research and Quality (AHRQ), and Bureau of Labor Statistics (BLS), among other federal departments and agencies. The Senate has yet to take action on its version of the Labor-HHS bill.

### At a Glance...

- The House bill includes a total of \$35.2 billion for NIH in FY 2018, which is \$1.1 billion above the FY 2017 enacted level and \$8.6 billion over the President's request.
- The House bill would provide the Centers for Disease Control and Prevention (CDC) with a total of \$7 billion for FY 2018, a cut of 2.6 percent compared to FY 2017 and 17.2 percent above the amount requested by the Administration.
- AHRQ would receive \$300 million, a \$24 million cut compared to FY 2017, but \$28 million above the amount the Administration had proposed for AHRQ's activities within a new NIH Institute (see the AHRQ section for details).
- Within the Department of Education, the House bill would provide \$605.3 million for the Institute of Education Sciences (IES), which would maintain flat funding for IES compared to its FY 2017 appropriation but \$11.6 million below the FY 2018 funding request from the Administration.
- The bill would provide BLS with \$609 million, keeping its budget flat over the last few years.

The next step for the bill is consideration by the full House of Representatives. However, the latest reports indicate that the House plans to first move a "mini-bus" appropriations bill that includes the Defense, Energy-Water, Legislative Branch, and Military Construction-VA appropriations bills — a so-called "national security" mini-bus. House leaders hope to consider the security mini-bus during the last week of July before the chamber leaves for the August recess, likely leaving the rest of the appropriations bills—Labor-HHS included—until after Labor Day.

Summarized below are the House Appropriations Committee's proposals for the National Institutes of Health, Centers for Disease Control and Prevention, Agency for Healthcare Research and Quality, Department of Education, and Bureau of Labor Statistics.

The Committee's full report, bill language, and webcast of the markup are posted on the Committee website.

COSSA's analysis of the President's FY 2018 budget request for the agencies covered under the Labor-HHS bill is available here.

## **National Institutes of Health**

The House bill includes a total of \$35.2 billion for NIH in FY 2018, which is \$1.1 billion above the FY 2017 enacted level and \$8.6 billion over the President's request. The proposal includes \$496 million in budget authority authorized in the <u>21<sup>st</sup> Century Cures Act</u>, also known as the NIH Innovation Account, which is intended as an additional "trust fund" for NIH. It also includes \$824 million in Public Health Service (PHS) Act section 241 evaluation set-asides, also known as evaluation tap transfers, which are allocated to the National Institute of General Medical Sciences (NIGMS).

The Committee strongly rejected the Trump Administration's proposed 22 percent cut to the agency, stating "While the Committee appreciates the [HHS] Secretary's efforts to find efficiencies in NIH research spending, the Administration's proposal to drastically reduce and cap reimbursement of facilities and administration (F&A) costs to research institutions is misguided and would have a devastating impact on biomedical research across the country." The report further states that the Labor-HHS bill directs NIH to "continue reimbursing institutions for F&A costs according to the rules and procedures" currently in place and prohibits any funds from the Labor-HHS bill to be used to "implement any further caps on F&A cost reimbursements." This language is welcome news to the extramural research community concerned with the direction discussions on overhead costs have gone in recent months under the Trump Administration (more background can be found <a href="https://example.com/here">here</a>).

Further, Labor-HHS Subcommittee Chair Tom Cole (R-OK) stated in his prepared remarks the need to "continue to build upon the \$2 billion increase provided in the omnibus last year," adding that he sees the \$1.1 billion increase for NIH as a floor, not a ceiling, and expressed his hope that NIH's funding level can increase even more before the FY 2018 process is complete.

Bill language and the Committee report accompanying the bill provide specific funding allocations for several programs and initiatives, including:

- \$165 million, the same as last year, to support the **National Children's Study Follow-on** activities, also known as the Environmental Influences on Child Health Outcomes (ECHO) program.
- \$373.6 million, a \$40 million increase, for **Institutional Development Awards** (IDeA), which support research in States that have historically low success rates in competing for NIH grants.
- \$1.79 billion, a \$400 million increase, to the National Institute on Aging for **Alzheimer's disease**
- \$336 million, a \$76 million increase, for the Brain Research through Application of Innovative Neuro-technologies (BRAIN) initiative, including two \$43 million transfers from the NIH Innovation Account to both the National Institute of Neurological Disorders and Stroke (NINDS) and the National Institute of Mental Health (NIMH).
- \$400 million, an increase of \$80 million, for the *All of Us* research program, formerly known as Precision Medicine Initiative (PMI).
- \$12.6 million, the same as last year, transferred from the **10-year Pediatric Research Initiative**Fund authorized in the *Gabriella Miller Kids First Research Act*.

Below is a summary of report language that could impact social and behavioral science research.

## Success Rates, New and Young Investigators & Administrative Burden

Similar to past Labor-HHS reports, the Committee report explains that NIH should use its increased appropriation "to support an increase in the number of new and competing Research Project Grants (RPGs), with a focus on early-stage investigators and investigators seeking first-time renewals." In

addition, the Committee calls on NIH to report on steps taken to lower to median age of investigators receiving their first research grant within 60 days of enactment of the appropriations bill and in its FY 2019 budget request.

The report further directs NIH to "restore extramural support to at least 90 percent of all NIH funding and to continue to focus on basic research" (more discussion on basic research below).

The report also directs NIH to review the recommendations made in the National Academies' 2016 report, "Optimizing the Nation's Investment in Academic Research: A New Regulatory Framework for the 21<sup>st</sup> Century," and submit a plan to the Congress on steps the NIH will take to reduce administrative burden on research institutions.

## Common Fund

For the Common Fund, the House would provide \$695.6 million, including the \$12.6 million noted above to support the *Gabriella Miller Kids First Research Act*. The report further urges the NIH director to use \$10 million from the Director's Discretionary Fund to support additional pediatric research.

## **Trans-NIH Initiatives**

The Committee directs the Director of the Division of Program Coordination, Planning, and Strategic Initiatives (DPCPSI) to developed a "trans-NIH strategic approach to improve coordination and facilitation of trans-NIH research with measurable objectives," and to work with the various NIH institutes and centers to "reduce duplication and increase effectiveness and efficiency of research." DPCPSI houses a number of offices whose activities span the missions of the various institutes and centers, such as the Office of Behavioral and Social Sciences Research (OBSSR) and the Office of AIDS Research (OAR).

## National Children's Study Follow-On/ECHO Program

In addition to the funding levels noted above, the Committee report directs NIH to report in its FY 2019 budget request progress made on the National Children's Study follow-on activities, including "an analysis of the composition of the funded cohort studies, and the short- and long-term goals of the study."

# Adolescent Substance Use

As part of the agency's ongoing work on substance use disorders among adolescents and young adults, the Committee encourages NIH to examine "the effectiveness of medication assisted treatment in adolescents struggling with substance use disorder, and identify any barriers to treatment as well as potential unintended consequences." The Committee report further directs NIH to include in its FY 2019 budget request an update on how the agency is addressing substance use among adolescents as a specific population.

#### Basic Research

The Committee report includes language encouraging NIH to "ensure the percentage of funding in the extramural research program on basic research does not fall below 55 percent of NIH resources," noting that "without this early scientific investigation, future development of treatments and cures would be impossible."

# **SPECIFIC INSTITUTE & CENTER LANGUAGE**

#### National Cancer Institute

The accompanying report directs NIH to transfer \$300 million of the total \$496 million allocated to the NIH Innovation Account to support the **Cancer Moonshot** initiative.

# John E. Fogarty International Center

The House Committee rejects the Administration's proposal to eliminate funding for the John E. Fogarty International Center (FIC), stating "Recent disease outbreaks such as Ebola, Zika, and Dengue have shown the importance of the Center's essential role in global infectious disease health research training and health system strengthening to help developing countries to eventually advance their own research and health solutions and tools." Instead, the House bill would provide a 1.7 percent increase to FIC in FY 2018.

(in millions)	FY 2017 Enacted	FY 2018 Request	FY 2018 House	House vs. FY 2017	House vs. Request
National Institutes of Health	34084.0	26603.6	35184.0	3.2%	32.3%
John E. Fogarty International Center for Advanced Study in the Health Sciences	72.2	0.0	73.4	1.7%	+\$73.4m
National Cancer Institute	5389.2	4174.2	5471.2	1.5%	31.1%
National Center for Advancing Translational Sciences	705.9	557.4	718.9	1.8%	29.0%
National Center for Complementary and Integrative Health	134.7	101.8	136.7	1.5%	34.3%
National Eye Institute	732.6	549.8	743.9	1.5%	35.3%
National Heart, Lung, and Blood Institute	3206.6	2534.8	3256.5	1.6%	28.5%
National Human Genome Research Institute	528.6	399.6	536.8	1.6%	34.3%
National Institute on Aging	2048.6	1303.5	2458.7	20.0%	88.6%
National Institute on Alcohol Abuse and Alcoholism	483.4	361.4	490.8	1.5%	35.8%
National Institute of Allergy and Infectious Diseases	4906.6	3782.7	5005.8	2.0%	32.3%
National Institute of Arthritis and Musculoskeletal and Skin Diseases	557.9	417.9	566.5	1.5%	35.6%
National Institute of Biomedical Imaging and Bioengineering	357.1	282.6	362.5	1.5%	28.3%
Eunice Kennedy Shriver National Institute of Child Health and Human Development	1380.3	1032.0	1401.7	1.6%	35.8%
National Institute on Deafness and Other Communication Disorders	436.9	325.8	443.6	1.5%	36.2%
National Institute of Dental and Craniofacial Research	425.8	320.7	432.4	1.6%	34.8%
National Institute of Diabetes and Digestive and Kidney Diseases	1870.6	1449.5	1899.7	1.6%	31.1%
National Institute on Drug Abuse	1090.9	865.0	1107.5	1.5%	28.0%
National Institute of Environmental Health Sciences	714.3	533.5	725.4	1.6%	36.0%
National Institute of General Medical Sciences	2650.8	2185.5	2713.8	2.4%	24.2%
National Institute of Mental Health	1601.9	1201.9	1625.5	1.5%	35.2%
National Institute on Minority Health and Health Disparities	289.1	214.7	293.6	1.6%	36.7%
National Institute of Neurological Disorders and Stroke	1783.7	1313.0	1810.0	1.5%	37.9%
National Institute of Nursing Research	150.3	113.7	152.6	1.5%	34.2%
National Institute for Research on Safety and Quality*	0.0	272.0	0.0	0.0%	-100.0%
National Library of Medicine	407.5	373.3	413.8	1.5%	10.8%

<sup>\*</sup> Administration's proposed reorganization of the Agency for Healthcare Research and Quality

#### Centers for Disease Control and Prevention

The House bill would provide the Centers for Disease Control and Prevention (CDC) with a total of \$7 billion for FY 2018, a cut of 2.6 percent compared to FY 2017 but 17.2 percent above the amount requested by the Administration. This total includes \$6 billion in discretionary funding, \$840.6 million in transfers from the Prevention and Public Health Fund (PPHF) and \$150.7 million in evaluation transfers under the Public Health Service Act. The CDC's statistical agency, the National Center for Health Statistics, would see a cut of \$5 million compared to FY 2017.

The bill rejects the Administration's proposed creation of the America's Health Block Grant program, which would have eliminated funding for a number of disease-specific programs under the Chronic Disease Prevention and Health Promotion portfolio in favor of flexible block grants to states. The bill also continues the longstanding "Dickey Amendment," a prohibition on using federal funds "to advocate for or promote gun control," which has chilled CDC research on gun violence prevention.

The Committee report charges the CDC to increase its focus on chronic pain surveillance. According to the report:

"The Committee directs CDC to collect epidemiological data to clarify the incidence and prevalence of various pain syndromes differentiated by patient age, comorbidities, socio-economic status, race, and gender. The Committee directs CDC to collect resource utilization data of medical and social services; on direct healthcare costs of pain treatment, both traditional and alternative; on the effectiveness of evidence-based treatment approaches; and on indirect costs (i.e., missed work, public and private disability, reductions in productivity). Finally, the Committee directs CDC to report these pain statistics to Congress and publish annually."

In addition, the bill provides funding within the CDC's heart disease and stroke prevention activities for "enhanced surveillance and research to target high-burden populations and guide public health strategies." The report also encourages the CDC to develop data-focused strategies to identify opioid overdose risks:

"Using Data to Prevent Opioid-Related Overdosing.—The Committee continues to be very concerned about the high rate of opioid abuse and overdosing and understands that with data, forecasting of overdosing risk by geographic region can be provided. The Committee encourages CDC to begin using data to provide such forecasts that public health officials can use to intervene and prevent overdoses."

(in millions)	FY 2017	FY 2018	FY 2018	House vs.	House vs.
	Enacted	Request	House	FY 2017	Request
Centers for Disease Control and Prevention	7184.8	5975.2	7001.5	-2.6%	17.2%
HIV, Viral Hepatitis, STI, and TB Prevention	1117.3	934.0	1117.3	0.0%	19.6%
Chronic Disease Prevention and Health Promotion	1115.6	952.3	1041.6	-6.6%	9.4%
Health Statistics	160.4	155.0	155.4	-3.1%	0.3%
Environmental Health	215.8	157.0	159.8	-26.0%	1.8%
Injury Prevention and Control	286.1	216.2	286.1	0.0%	32.3%
Occupational Safety and Health	335.2	200.0	325.2	-3.0%	62.6%
Global Health	435.1	350.0	435.1	0.0%	24.3%
Public Health Preparedness and Response	1405.0	1266.0	1450.0	3.2%	14.5%
Preventive Health & Health Services Block Grant	160.0	0.0	160.0	0.0%	+\$160.0m

# Agency for Healthcare Research and Quality

The House bill rejects the Administration's proposed consolidation of the Agency for Healthcare Research and Quality (AHRQ) within the NIH as a new institute, which would have required separate legislation to enact. However, the Committee report directs AHRQ to commission the National Academy of Public Administration to conduct a study to determine how best to manage the health services research supported by the federal government, "including the optimal organizational location and means of avoiding unnecessary overlap with other stakeholders."

The House bill would provide AHRQ with \$300 million, a \$24 million cut compared to FY 2017, and \$28 million above the amount the Administration had proposed for the new NIH Institute. The bill reduces funding for AHRQ's Health Services Research, Data, and Dissemination by \$20 million compared to FY 2017. AHRQ's other research accounts and the Medical Expenditure Panel Survey (MEPS) would see flat funding, including, notably, the Health Information Technology portfolio, which would have been eliminated under the President's budget.

The Committee report includes language requesting that AHRQ report on the state of measurement of patient-reported outcomes in children with kidney disease, particularly as they mature from newborns into young adults. Other language encourages the agency to assemble a bibliography of the peer-reviewed literature on tick-borne diseases.

(in millions)	FY 2017	FY 2018	FY 2018	House vs.	House vs.
	Enacted	Proposed*	House	FY 2017	Request
Agency for Healthcare Research and Quality	324.0	272.0	300.0	-7.4%	10.3%
Research on Health Costs, Quality, and Outcomes	187.2	145.5	167.2	-10.7%	14.9%
Patient Safety	70.3	74.1	70.3	0.0%	-5.2%
Health Services Research, Data, and Dissemination†	88.7	[Not specified]	68.7	-22.5%	n/a
Health Information Technology	16.5	0.0	16.5	0.0%	+\$16.5m
U.S. Preventive Services Task Force‡	11.6	7.4	11.6	0.0%	57.4%
Medical Expenditure Panel Surveys	66.0	70.0	66.0	0.0%	-5.7%

<sup>\*</sup> Figures reflect the amounts specified for the proposed National Institute for Research on Safety and Quality within NIH.

† Called "Crosscutting Activities Related to Quality, Effectiveness and Efficiency Research" in the report.

‡ Called "Prevention/Care Management" in the report.

# **Department of Education**

Within the Department of Education, the House bill would provide \$605.3 million for the **Institute of Education Sciences** (IES), which would maintain flat funding for IES compared to its FY 2017 level and be \$11.6 million below the FY 2018 funding request from the Administration. Reflecting the Institute's flat funding for FY 2018, each of IES' various centers and functions would be funded level with FY 2017. These include the National Center for Education Statistics, Regional Education Laboratories, Statewide Data Systems, and more (as seen in the table below).

For the International Education and Foreign Language Studies programs, the House bill includes a total of \$65.1 million in funding for Domestic Programs (also known as Title VI) and no funding for Overseas Programs (also known as Fulbright-Hays). The House's allocation for Title VI is good news, as the program was eliminated in the President's FY 2018 budget request. Unfortunately, the House followed the President's FY 2018 request related to the elimination of the Fulbright-Hays program, including its justification that the U.S. Department of State funds similar programs.

Lastly, the House bill includes \$5.8 million for the **Graduate Assistance in Areas of National Need** program for FY 2018, which is a significant decrease from the \$28.1 million FY 2017 funding level, and is the same amount as requested in the President's FY 2018 budget request. The Committee states that the program "duplicates the efforts of other Federally-funded programs that support fellowships in these disciplines within the Department and other agencies" and that the recommended funding amount would cover the cost of current awards.

(in millions)	FY 2017 Enacted	FY 2018 Request	FY 2018 House	House vs. FY 2017	House vs. Request
Institute of Education Sciences	605.3	616.8	605.3	0.0%	-1.9%
Research, Development, and Dissemination	187.5	194.6	187.5	0.0%	-3.6%
Statistics (National Center for Education Statistics)	109.5	111.8	109.5	0.0%	-2.1%
Regional Educational Laboratories	54.4	54.3	54.4	0.0%	0.2%
Research in Special Education	54.0	53.9	54.0	0.0%	0.2%
Special Education Studies and Evaluations	10.8	10.8	10.8	0.0%	0.0%
Assessment	156.8	156.9	156.7	0.0%	-0.1%
Statewide Data Systems	32.3	34.5	32.3	0.0%	-6.4%
International Education and Foreign Language Studies	72.2	0.0	65.1	-9.8%	+\$65.1m
Domestic Programs (Title VI)	65.1	0.0	65.1	0.0%	+\$65.1m
Overseas Programs (Fulbright-Hays)	7.1	0.0	0.0%	-100.0%	0.0%
Graduate Assistance in Areas of National Need	28.1	5.8	5.8	-79.4%	0.0%

#### **Bureau of Labor Statistics**

The House bill would maintain flat funding of \$609 million for the Bureau of Labor Statistics (BLS) in FY 2018, slightly above the amount requested by the Administration. While the total amount proposed for BLS is flat, the bill would shift some funds away from the Labor Force Statistics and Compensation and Working Conditions accounts in favor of the Prices and Cost of Living and Productivity and Technology accounts.

(in millions)	FY 2017 Enacted	FY 2018 Request	FY 2018 House	House vs. FY 2017	House vs. Request
Bureau of Labor Statistics	609.0	607.8	609.0	0.0%	0.2%
Labor Force Statistics	273.0	268.8	268.9	-1.5%	0.1%
Prices and Cost of Living	207.0	209.9	211.4	2.1%	0.8%
Compensation and Working Conditions	83.5	82.9	82.9	-0.7%	0.0%
Productivity and Technology	10.5	10.8	10.8	2.8%	0.0%
Executive Direction and Staff Services	35.0	35.5	35.0	0.0%	-1.5%

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