

FASEB

Federation of American Societies
for Experimental Biology

Federal Budget Outlook for Research

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October 27, 2017

COGR Meeting

Mood In Washington

◆ Disagreements Between Congress & Administration Over Policy

- Repeal/replacement of Affordable Care Act
- Tax reform
- Foreign policy
- Immigration
- Infrastructure
- Spending – defense vs. non-defense

◆ Frustration Over Lack of Accomplishments

- See also: all of the above
- Ongoing tension between House and Senate
- Governing by Executive Order vs. passing legislation

◆ Focus Shifting to Mid-Term Elections in 2018

- All members of the House up for re-election
- 34 Senate seats up for re-election

Outlook for FY 2018 Federal Funding

◆ Return of Fiscal Austerity

- Overall spending cap is \$5 billion below FY 2017
- Sequestration will be “turned back on”
- Changing the cap will require a bipartisan agreement

◆ Pressure to Increase Defense Spending

- Priority for President Trump
- Growing support in Congress as well

◆ Fights Over Spending Priorities

- Funding for a border wall
- Tax reform/ tax cuts
- Future of Affordable Care Act



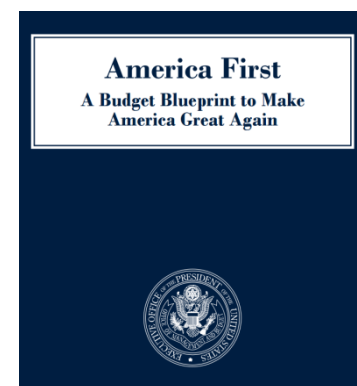
Fiscal Year (FY) 2018 Appropriations Process

“Regular Order vs. Reality”

Date	Administration’s Role	Congress’ Role	Outcome
February	President’s Budget sent to Congress	Appropriations & Authorizing Committees review agency requests <ul style="list-style-type: none"> • Hearings with cabinet officials/agencies • Testimony from stakeholders 	
March		Adopts Budget Resolution <ul style="list-style-type: none"> • House & Senate votes • Conference Committee 	President Trump submits FY 2018 “skinny budget” to Congress
April		Approval of 302(a) allocation (total amount of \$) and 302(b) subcommittee allocations	
May – September		Appropriations Committees pass 12 spending bills <ul style="list-style-type: none"> • Subcommittee • Full Committee • House & Senate votes 	<ul style="list-style-type: none"> • Congress passes FY 2017 omnibus appropriations bill • Trump submits full FY 2018 budget proposal to Congress • Appropriations Committee hearings on Trump budget • Appropriations Committees approve FY 2018 allocations • House Appropriations Committee passes 12 bills • House passes FY 2018 “omnibus” • Senate Appropriations Committee passes 8 bills • House/Senate pass CR through December 8, 2018
October		Congress passes “continuing resolution” (CR)	<ul style="list-style-type: none"> • Congress passes FY 2018 Budget resolution

Trump FY 2018 Budget Request

- ◆ **Proposal balanced the federal budget over ten years**
 - Reduced the debt as a percentage of GDP to the lowest level since 2010
- ◆ **Increased the defense budget by cutting almost all areas of non-defense spending**
 - Eliminated sequestration cuts to defense programs/agencies
- ◆ **Requested “targeted investments in highest national priorities”**
 - Border security and immigration enforcement
 - Infrastructure
 - Reforming welfare



Trump Budget Proposal: NIH

◆ Eliminate the Fogarty International Center (FIC)

- Provide \$25 million for international research in the Office of the Director
- FY 2017 funding for FIC was \$70.3 million

REJECTED

◆ Transfer AHRQ operations to NIH

- Rename Nat'l Institute for Research on Safety & Quality
- Provide \$272 million for health services research

REJECTED

◆ Include full amount of 21st Century Cures funding (\$496 million)

◆ Institute a 10% cap on facilities and administrative costs (F & A)



REJECTED

Proposed FY 2018 Funding for Research Agencies

Agency	House	Senate
NIH	\$35.2 billion (+\$1.1 billion)	\$36 billion (+\$2 billion)
NSF	\$7.34 billion (-\$133 million)	\$7.3 billion (-\$161 million)
DOE SC	\$5.37 billion (no change)	\$5.55 billion (+\$158 million)
VA	\$691 million (+\$16 million)	\$722 million (+\$47 million)
AFRI	\$375 million (no change)	\$375 million (no change)



Issues That Still Need To Be Resolved

◆ Debt Ceiling

- Federal debt limit was reached in March 2017
- Current “CR” suspends debt limit until December 8, 2017
- Congress *may* have to lift the debt ceiling in December

◆ FY 2018 Appropriations

- On hold for now
- Another CR (or CR’s) will be needed after December 8
- Omnibus appropriations bill expected

◆ Other Legislation

- Tax reform
- Extension of Children’s Health Insurance Program
- More disaster funding
- Iran nuclear deal
- Status of “Dreamers”

Budget Control Act Caps: Impact on Discretionary Spending

	2013	2014	2015	2016	2017	2018	2019	2020	2021
BCA Limit After ATRA	1,047 <hr/> - 4 1043	1,066 <hr/> - 8 1058	1,086	1,107	1,131	1,156	1,182	1,208	1,234
Total limit after automatic cuts	1,002	1,012	1,013	1,066	1,070	1,065	1,091	1,118	1,146
Defense limit after automatic cuts	518	520	521	548	551	549	562	576	591
NDD limit after automatic cuts	484	492	492	518	519	516	529	542	555

Re-Thinking The Budget Control Act

- ◆ **Sequestration only happened once (FY 2013)**
- ◆ **The BCA caps have been raised twice**
- ◆ **December 2013 – the “Ryan-Murray Deal”**
 - Bipartisan Budget Act of 2013 (Public Law 113-67)
 - Raised the defense and non-defense (NDD) caps
 - FY 2014 = +\$22 billion each
 - FY 2015 = +\$9 billion each
- ◆ **December 2015 – “John Boehner Retirement Gift”**
 - Bipartisan Budget Act of 2015 (Public Law 114-74)
 - Raised the defense and NDD caps
 - FY 2016 = +\$25 billion each
 - FY 2017 = +\$15 billion each

Path Forward on FY 2018 Spending

◆ The FY 2018 “omnibus” passed by the House in September will not become law

- Defense portion exceeds the 2018 cap, which would trigger sequestration for military agencies
- Republicans and Democrats have said sequestration will not happen again
- The omnibus would need 60 votes to pass the Senate

◆ Appropriators and leaders in Congress want to raise the caps

- Republicans and President Trump want to increase defense spending
- Senate Democrats want equal increases for non-defense spending



#RaiseTheCaps

Committee on Appropriations - Democrats

THE MONEY SHOULD BE DRAWN FROM THE TREASURY BUT IN CONFORMANCE OF APPROPRIATIONS MADE BY LAW OF CONGRESS

Lowey calls for immediate budget negotiations

September 14, 2017 | Press Release

Today's House passage of a budget resolution and bipartisan Appropriations bills puts us no closer to averting full-year funding that will support middle-class families, invest in critical priorities, and keep the American people secure at home and abroad.

"These bills cannot be enacted into law because they cancel prior Democratic votes. And if they were enacted, they would be subject to an across-the-board sequester of \$72 billion from all defense accounts.

"It is with heartening that Democrats' Congressional leadership reached a deal with President Trump for a temporary Continuing Resolution to avoid a government shutdown at the end of September. However, without an agreement to raise Budget Control Act funding caps, we will just face another crisis in December.

"Majority leadership must immediately convene bipartisan negotiations to develop a new budget agreement with results that support jobs and nonpartisan spending. This is the only way to avert full-year spending bills that create jobs, support hard-working Americans, and keep our nation strong.

115th Congress

United States Senate Committee on APPROPRIATIONS

ABOUT THE COMMITTEE NEWS SUBCOMMITTEES HEARINGS LEGISLATION

09.14.17

Appropriations Vice Chairman Leahy Statement On The House Passage Of An Omnibus Appropriations Bill

What the House passed today does not bring us any closer to responsibly funding the government, and it will not pass the Senate. It wastes billions of taxpayer dollars on a useless border wall, which the President promised that Mexico would pay for, and contains poison-pill riders that have no place in the appropriations process. Its proposed increase for defense spending is a lie to the American people that would shatter the budget caps set in place by the Budget Control Act. This would directly result in a 13 percent sequester on national security programs starting in January, severely undermining our military readiness. This is not a real solution. We need a bipartisan budget deal based on parity, like the ones we had in 2013 and in 2015, that raises the past-sequester budget caps for both defense and non-defense programs to address the needs and the real priorities of our nation.

I have been calling for these negotiations for months. It is time we get serious.

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The Washington Post

News

John McCain: It's time Congress returns to regular order

The Capitol dome in Washington, D.C. on September 14, 2017. AP Photo/Chris Wedel

By John McCain

John McCain, a Republican, represents Arizona in the U.S. Senate.

Americans recoiled from the repugnant spectacle of white supremacists marching in Charlottesville to promote their so-called "blood and soil" ideology. There is nothing in their hate-driven racism that can match the strength of a nation committed to liberty and comprising 350 million souls of different origins and opinions who are equal under the law.

Most of us share Heather Heyer's values, not the depravity of the man who took her life. We are the country

Roll Call

NUCLEAR. POWER THE EXTRAORDINARY.

DISCOVER MORE

Opinion

Opinion: Congress Needs to Raise Budget Caps

Economic and national security investments vital to our long-term success

We begin the 2018 budget process facing arbitrary and irresponsible spending caps that threaten our security, our economy, and our nation's standing as a global leader of research and innovation. Yet, the budget proposal put forth by President Donald Trump does not respond to this simple truth. In fact, it will take our country in the opposite direction.

The president would provide additional funds for one important aspect of government — defense — but would do so at the expense of all other investments. That's not a reasonable proposal — and it should not be treated as one. We

Next Steps

- ◆ **A bill to raise the caps must pass the House and Senate and be signed by the President**
 - “Stand alone” legislation OR
 - Attached to something else (third package of disaster funding, debt ceiling increase, etc.)
- ◆ **Appropriations Committee receive new allocations reflecting higher spending levels**
- ◆ **Negotiations to resolve differences between House and Senate funding levels for agencies/programs**
 - Led by Appropriations Subcommittee chairs
 - Could take 2 – 3 weeks
- ◆ **Congress passes revised omnibus finalizing FY 2018 agency budgets**



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For More Information...

FASEB Office of Public Affairs

<http://www.faseb.org/Science-Policy-and-Advocacy.aspx>

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