On Monday, February 4th, 2008 the President introduced a $3.1 trillion FY 2009 budget, marking the first time that the federal budget passed the $3 trillion mark. His budget release marks the first step in the annual appropriations process.

Bush identified two principles guiding the budget: "keeping America safe and ensuring our continued prosperity." To that end, Bush recommends boosting security-related funding, including the Defense and Homeland Security departments and international affairs spending overall by $44.9 billion over last year—an eight percent increase. By contrast, non-security discretionary spending would grow by only 0.3 percent, with cuts proposed for six Cabinet departments and popular programs such as low-income heating assistance and state and local law enforcement grants.

As expected, Democrats criticized the budget for a variety of reasons, including the President’s proposed cuts in Medicare and Medicaid spending, neglect of energy issues, and failure to address rising education costs. Pelosi stated that, among other things, “the budget, freezes lifesaving medical research, raises health care costs for veterans, and slashes energy assistance -- all at a time of rising prices and a slowing economy.” Speaker Pelosi also attacked the proposal because it fails to include the cost of the Iraq war in the regular budget process. Instead, Bush has funded the Iraq war primarily through supplemental spending bills and emergency “bridge” funds. This strategy, subjecting requests to reduced Congressional scrutiny, draws criticism from Republicans as well as Democrats.

Republican leaders praised the budget for starting the annual conversation in a fiscally sound manner. GOP leaders focused on White House claims that its plan would balance the budget by 2012 without raising taxes. "The president this morning gave Congress a clear sense of the priorities he intends to pursue on behalf of the American people this year, and I'm glad to see that securing our borders, strengthening our armed forces, and promoting broad-based, pro-growth tax relief sit atop his list," said Minority Whip Blunt.

Thad Cochran, R-Miss. hopes to avoid an omnibus spending bill this year. "Over the next months the Senate Appropriations Committee will closely review this proposal as we write the annual appropriations bills," Cochran said. "I hope that Congress will be able to complete the budget and appropriations process in an expeditious and responsible manner and send 12 individual bills to the president for his signature."

Many groups are not nearly as optimistic. Advocates and federal agencies are bracing themselves for a lame-duck session, following the November election. The Democratic Congress, hoping to take the presidency in November, might not feel compelled to abide by the President’s spending ceiling. Instead, the Democrats might agree to disagree with the President, push for a continuing resolution through January 2009, and revisit the FY 2009 appropriations bills after Inauguration Day.
Despite predictions of budget stalemate, the process will proceed as usual. Now that the President has submitted his budget request, the House and Senate Budget Committee will prepare the Congressional Budget Resolution, a document that recommends overall allocations for domestic discretionary and mandatory spending accounts and does not require the President’s signature. The funding recommendations are used to make allocations to the House and Senate Appropriations Subcommittees, which will then decide how much each Federal agency receives from the initial allocations.

As members of the Coalition for Health Funding, the Population Association of America (PAA) has joined over 400 other organizations in asking Congress to allocate an additional $5.3 billion in Function 550 of the discretionary budget allocation in the Fiscal Year 2009 Budget Resolution for a total of $58.5 billion. Function 550 encompasses funding for all public health agencies. According to the letter, the “increase is necessary to 1) restore funding to public health programs cut in FY 2006; 2) restore lost purchasing power that flat-funding for at least five years has eroded and 3) provide investments that begin to truly meet health challenges facing the nation.” The letter is posted at: http://www.aamc.org/advocacy/healthfunding/correspondence/021908.pdf

**Agencies Important to PAA and APC**

The President’s proposed FY 2009 budget was a mixed bag of news for the PAA/APC agencies of interest.

**National Institutes of Health (NIH)**

The administration proposed $29.5 billion for NIH. PAA supports the position of the Ad Hoc Group for Medical Research Funding and Coalition for Health Funding to increase NIH funding by $1.9 billion for a total of $31.1 billion in FY 2009. The $29.5 billion proposed by the Administration freezes NIH at last year’s funding level and for the sixth straight year would keep the agency below the rate of medical research inflation. Flat funding also means cost-cutting measures once intended as short-term fixes will continue. These measures include cutting grants routinely by 15 to 20 percent at the National Institute of Child Health and Human Development and by 18 percent at the National Institute on Aging.

Once again, the President’s budget does not request funds for the National Children’s Study and proposes terminating the study after funds spent in Fiscal Year 2008 have been exhausted. To keep the study on track, NCS needs $192 million in FY 2009.

**National Center for Health Statistics (NCHS)**

Unlike last year when the Administration recommended flat funding NCHS at the agency’s FY 2007 level, the President has recommended the agency receive a ten percent increase in FY 2009. As members of the Friends of NCHS, PAA supports the Administration’s request of $125 million. This funding ensures the un-interrupted collection of vital statistics and other important data collection and analysis initiatives, including over-sampling of vulnerable populations in the NHANES, and enables NCHS to modernize its systems to increase efficiency, interoperability, and security.
Census Bureau
The administration proposed $2.6 billion for the Census Bureau in FY 2009, doubling the FY 2008 budget of $1.3 billion. This number reflects the second most expensive year in the $11.5 billion ten-year life cycle of the budget culminating in the 2010 Decennial Census. As members of the Census Project, a diverse coalition of census stakeholders, PAA supports the Administration’s request. The funding level is needed to “reengineer the 2010 Census to reduce operational risk, improve accuracy, provide more relevant data, and contain costs.” The funding will be used to complete dress rehearsal operations and assessments, improve the accuracy of map feature locations by adjusting county realignments, and to conduct the American Community Survey as a replacement for the census long form. The President’s budget also recommends $47.5 million to continue SIPP, the Survey of Income and Program Participation, with a full sample (45,000 households) beginning in September 2008.

National Science Foundation (NSF)
The administration proposed $6.8 billion in FY 2009, a 13.6 percent increase over the FY 2008 appropriated amount. While this may sound like a significant increase over FY 2008, it puts NSF funding where it would have been had the agency not been cut during last minute Fiscal Year 2008 budget negotiations in December. As members of the Coalition for National Science Funding, PAA and APC support the administration’s request.

United States Agency for International Development (AID)
The President’s budget proposes $425 million for international reproductive health/family planning programs from which the Office of Population and Reproductive Health is supported. This request is 50 percent below the account’s high-water funding level in 1995. While disappointing, this low number was anticipated by the reproductive health community. The hope is Congress will, once again, boost funding for this important account.

American Time Use Survey (ATUS)
The President’s proposed Fiscal Year 2009 budget eliminates funding for the American Time Use Survey (ATUS) at the Bureau of Labor Statistics (BLS). ATUS measures the amount of time people spend doing various activities such as paid work, childcare, volunteering, and socializing. Eliminating the ATUS would result in the loss of informative data on the full range of non-market activities Americans conduct. BLS needs $6.0 million in the Fiscal Year 2009 budget to fully fund the ATUS and its other key surveys. PAA will work with other organizations to raise awareness about this issue and to encourage Congress to increase the BLS budget in FY 2009.