

SPRING 2011 GOVERNMENT AND PUBLIC AFFAIRS UPDATE

Fiscal Year 2011 –No End in Sight

On February 19, 2011, on a party-line vote (235-189), the U.S. House of Representatives passed H.R. 1, the Fiscal Year (FY) 2011 Continuing Resolution (CR), which would fund the federal government through September 30, 2011. The new House leadership used mandatory passage of the CR as an opportunity to enact immediate, dramatic cuts to the federal government. The bill proposed cuts totaling nearly \$61 billion from FY 2010, rolling non-security domestic discretionary spending back to FY 2008 levels. For PAA agencies of interest, the effect of these proposed cuts translates into:

- Cutting the National Institutes of Health (NIH) by \$1.6 billion, which would reduce all Institutes and Centers pay lines;
- Cutting the National Science Foundation (NSF) by \$827.5 million, \$551 million of which comes from the Research and Related Activities account;
- Cutting the Centers for Disease Control and Prevention by \$850 million, holding the National Center for Health Statistics (NCHS) budget at \$138 million and jeopardizing its plans to modernize vital statistics data collection nationwide and improve ongoing surveys;
- Cutting the Census Bureau by \$73 million, affecting funding for initiatives to increase the sample size of the American Community Survey (ACS), develop a supplemental poverty measure and update the Master Address File (MAF); and,
- Cutting \$440 million from the Agency for International Development's Family Planning/Reproductive Health account, a \$208.5 million cut from the FY 2010 level.

During debate on the bill, various amendments to further reduce or bolster spending for specific federal agencies were proposed. For example, Congressman Lankford (R-OK) and Congressman Mack (R-FL) introduced separate amendments to eliminate funding for the Census Bureau's American Community Survey (ACS). Congressman Pearce (R-NM) introduced an amendment to eliminate funding for the U.S. Census Bureau. Congressman Latta (R-OH) introduced an amendment to eliminate all funding for international family planning/reproductive health programs. Congressman Issa (R-CA) proposed an amendment to "de-fund" five peer-reviewed research grants funded by the NIH and NSF. Congressman Edward Markey (D-MA) offered an amendment to restore the \$1.6 billion cut to NIH, using elimination of oil and gas subsidies as the offset.

By the end of the weeklong deliberations, only one proposed amendment affecting PAA agencies of interest passed. The amendment, offered by Congressman Michael Michaud

(D-ME), shifted \$80 million from the Census Bureau's Periodic Censuses account to the Commerce Department's Economic and Development Administration.

During debate in the House of Representatives, PAA and its colleagues in various coalitions sent letters, communicating their positions on the H.R. 1 and some of the proposed amendments. These communications included:

- a letter from the Ad Hoc Group for Medical Research, opposing provisions in H.R. 1 that would reduce funding for NIH (<https://www.aamc.org/research/adhocgp/021611.pdf>)
- a letter from the Coalition to Promote Research, opposing the Issa amendment to de-fund peer-reviewed NIH and NSF grants (<http://www.cossa.org/CPR/2011/IssaHR1.html>)
- two action alerts to PAA members on the Government and Public Affairs list serve. (If you would like to receive these action alerts, please send an email to the PAA Office of Government and Public Affairs at paaapc@crosslink.net.)

On February 15, the White House issued a veto threat on H.R. 1 (http://www.whitehouse.gov/sites/default/files/omb/legislative/sap/112/saphr1h_20110215.pdf).

At press time, the U.S. Senate was drafting its own version of the CR with plans to debate it the week of February 28. If the House and Senate fail to agree on a CR, that the President will sign, by March 4—when the current CR expires—the federal government will shutdown. The prospect of a government shutdown was appearing likely as the House Republican leadership was unwilling to accept another short-term extension of the current CR unless new spending cuts are included.

President Releases FY 2012 Budget Request

On February 14, President Obama submitted his FY 2012 budget to Congress. The budget proposes to reduce the deficit by \$1.1 trillion over ten years, with two-thirds of the reductions coming from spending cuts. These cuts include a five-year, non-security discretionary spending freeze. However, in keeping with messages regarding innovation and education that he articulated in his State of the Union address, the president recommended some targeted investments in research agencies. These proposed increases include:

- \$31.748 billion for NIH, an increase of \$745 million (2.4%) over the FY 2010 request; and,
- \$7.8 billion for NSF, an increase of approximately \$895 million (13%) over the FY 2010 request, which includes an 18% increase in the Social, Behavioral, and Economic Sciences (SBE) Directorate.

Amounts recommended in the budget for other PAA priority agencies of interest include:

- \$161.8 million for the National Center for Health Statistics—a \$23 million increase over FY 2010. Funds will be used to support the National Health Interview Survey (HIS), National Health and Nutrition Examination Health Survey (NHANES), and National Health Care Survey, and to purchase a full 12 months of vital statistics collected by the vital records jurisdictions. The budget request also includes funding to support the implementation of electronic birth records in the states.
- \$769.1 million for bilateral and multilateral international family planning/reproductive health assistance programs administered by the Agency for International Development—a \$121 million or 19 percent increase above the \$648.5 million current funding level.
- \$1 billion for the U.S. Census Bureau, an amount approximately \$3 million below last year’s level, but sufficient to continue work on previously proposed activities related to the ACS, MAF, and supplemental poverty measure.
- \$647 million for Bureau of Labor Statistics, a \$2 million increase over the FY 2010 request, which includes funding to add the Contingent Work Supplement to the Current Population Survey to capture data on contingent work and alternative work arrangements and to establish a new National Longitudinal Survey (NLS) youth cohort.
- \$113 million for Bureau of Economic Analysis, the same funding level request in FY 2011, which would allow BEA to continue four major ongoing initiatives to “improve timeliness, relevance, and accuracy of the national economic accounts.”

Quick Links to FY 2012 Budget Requests: PAA Primary Agencies of Interest

President’s FY 2012 budget: <http://www.whitehouse.gov/omb/budget/Overview>

NIH Congressional Justification: <http://officeofbudget.od.nih.gov/br.html>

NSF Budget Overview: http://www.nsf.gov/about/budget/fy2012/pdf/01_fy2012.pdf

Centers for Disease Control and Prevention Budget Request (includes NCHS):
http://www.cdc.gov/fmo/topic/Budget%20Information/appropriations_budget_form_pdf/FY2012_Budget_Request_Summary.pdf

Department of Commerce (includes Census Bureau and BEA):
<http://www.osec.doc.gov/bmi/budget/FY12CBJ.html>

Department of State (which includes AID):
<http://www.state.gov/documents/organization/156215.pdf>

NIH Posts BRDPI Update

On January 24, NIH has announced that the Bureau of Economic Analysis (BEA) estimates a 2.8 percent increase in the Biomedical Research and Development Price Index (BRDPI) for FY 2010. The BEA staff also revised last year’s preliminary estimate

for FY 2009 downward from 3.4 percent to 2.9 percent. BEA is projecting the following pattern of growth in the BRDPI: 2.9 percent for FY 2011; 3.0 percent for FY 2012; 3.1 percent for FY 2013 and FY 2014; 3.2 percent for FY 2015; and 3.3 percent for FY 2016. The BRDPI measures changes in the weighted-average of the prices of all the inputs (e.g., personnel services, various supplies, and equipment) purchased with the NIH budget to support research and is updated annually. BRDPI is an important measure for determining future funding requests for the NIH.

The complete memo, dated January 24, is available at:

http://officeofbudget.od.nih.gov/pdfs/FY12/BRDPI_Proj_Jan_2011_Final.pdf

Census Bill Defeated In Final Hours of 111th Congress

On December 14, 2010, the U.S. House of Representatives voted to suspend the rules and pass S. 3167, the Census Oversight Efficiency and Management Reform Act of 2010. This bill, which PAA supported, would have made the Census Director's position a fixed five-year term of office and enacted other administrative reforms in the agency. To pass, the vote required 2/3 of the members voting in the affirmative.

Unfortunately, the bill did not pass. The final vote was 201-167 with 65 not voting. Here is a link to the final roll call vote: <http://clerk.house.gov/evs/2010/roll629.xml>.

Much thanks goes to the bill's sponsors, Senator Carper (D-DE) and Congresswoman Maloney (D-NY) and their staffs for their leadership and efforts. It is not clear a similar bill will be reintroduced in the 112th Congress.