



EPSCoR/IDeA Coalition of States

APRIL 2017 CAPITOL HILL UPDATE



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FY2017/2018 FEDERAL RESEARCH & DEVELOPMENT BUDGET STATUS

- On March 16, 2017, the Trump Administration released an FY2018 “skinny” budget outline. The release did not provide program-level detail for the EPSCoR/IDeA programs
- A week later, the Trump Administration outlined \$18 million in proposed reductions for FY2017 including \$50 million from the NIH IDeA program as well as cuts to DOE and environmental science programs
- A more complete FY2018 budget request is expected from the Trump Administration in mid-May 2017
- Most of the federal government is operating under an FY2017 Continuing Resolution which lasts until April 28th
- The FY2017 Appropriations process has restarted with further legislative action expected in late April

FY2017 EPSCoR/IDEA BUDGET SUMMARY

Numbers in millions of dollars

Agency	FY15 Omnibus	FY16 Omnibus	FY17 Budget Request	FY17 Coalition Goals	FY17 House	FY17 Senate	FY17 Final	FY18 Goals
NSF	159.69	160.0	162.13	170.0	170.7	160.0	TBD	170.0
NIH	273.325	320.8	320.84	331.14	333.3	333.4	TBD	1% of NIH budget
DOE	10.0	15.0	8.5	20.0	10.0	20.0	TBD	20.0
USDA	48.7*	52.5*	N/A	56.25*	56.25*	56.25*	TBD	15% Language
NASA	18.0	18.0	9.0	25.0	18.0	18.0	TBD	25.0
Totals	509.72	566.3	500.47**	602.39	588.25	587.65	TBD	

* Represents 15 percent of the Agriculture and Food Research Initiative (AFRI) budget.

** Figure does not include AFRI funding.

With Congress set to adjourn for a two week recess, the EPSCoR/IDeA Coalition wanted to follow-up last week's newsletter with some additional notes, primarily related to the National Institutes of Health (NIH) and a recent hearing in the House Appropriations Subcommittee on Labor-Health and Human Services-Education (Labor-HHS) Subcommittee. The Coalition will continue to provide updates as the House and Senate continue their budget oversight hearings.

Fiscal Year (FY) 2017 Appropriations Status

We expect to see Congress address the remaining spending bills for FY2017 during the last week of April, prior to the Continuing Resolution (CR) expiring on the 28th.

President Donald Trump's supplemental request that includes funding the Department of Defense and for a border wall between the United States and Mexico is emerging as a major complicating factor to complete the FY2017 appropriations bills. Lawmakers appear unsettled as to whether funding for the wall in some form will be included in the FY2017 package, whether the package will succeed, or whether another CR, either for the short term or until the end of the fiscal year, will be needed.

FY2018 Appropriations Status

The House Appropriations Committee deadlines for requests has passed while the Senate has not yet assigned deadlines for most of its subcommittees. Those deadlines should be announced soon but it is important to note that Senate offices will have internal deadlines set earlier than the Senate Appropriations Committee.

Thank you to everyone who has already submitted all of your appropriations forms. Please do not hesitate to reach out to the staff at Van Scoyoc Associates if you need assistance.

Science Advisor Position

Thank you for all of your outreach supporting Dr. Kelvin Droegemeier to become President Trump's Science Advisor. The EPSCoR/IDeA Coalition and Foundation Boards was proud to join our colleagues at APLU, AAU, and other organization strongly endorsing the nomination. We believe that Dr. Droegemeier, more than any of the potential nominees for Science Advisor, will seek to implement a strong research and development portfolio for the entire nation.

President Trump has not yet named his top advisers on technology or science, and so far, has made just one hire: Michael Kratsios, the former chief of staff for Peter Thiel, a Silicon Valley investor. We have been told that there should be an announcement on this position "soon."

TRUMP ADMINISTRATION — CABINET UPDATE



Secretary of Agriculture

Sonny Perdue — The former Georgia Governor was approved by a bipartisan voice vote on March 30th in the Senate Agriculture Committee. The full United States Senate will hold a final vote on April 24.

Secretary of Commerce

Wilbur Ross—Confirmed by a vote of 72 to 27

Secretary of Defense

Gen. James Mattis—Confirmed by a vote of 98 to 1

Secretary of Education

Betsy DeVos—Confirmed by a vote of 51 to 50

Secretary of Energy

Rick Perry—Confirmed by a vote of 62 to 37

Secretary of Health and Human Services

Tom Price—Confirmed by a vote of 52 to 47

Secretary of Homeland Security

Gen. John Kelly—Confirmed by a vote of 88 to 11

Secretary of Housing and Urban Development

Dr. Ben Carson—Confirmed by a vote of 58 to 41

Secretary of Interior

Ryan Zinke—Confirmed by a vote of 68 to 31

Secretary of Labor

R. Alexander Acosta—The nominee was approved by the Senate Committee on Health, Education, Labor, and Pension on March 30th on a party line vote of 12-11. A vote has not yet been scheduled in the full United States Senate.

Secretary of State

Rex Tillerson—Confirmed by a vote of 56 to 43

Secretary of Transportation

Elaine Chao—Confirmed by a vote of 93 to 6

Secretary of Treasury

Steve Mnuchin—Confirmed by a vote of 53 to 47

Secretary of Veterans Affairs

David Shulkin—Confirmed by unanimous vote of 100 to 0

Attorney General

Jeff Sessions—Confirmed by a vote of 52 to 47

Central Intelligence Agency Director

Mike Pompeo—Confirmed by a vote of 66 to 32

Director of National Intelligence

Dan Coats—Confirmed by a vote of 85 to 12

Environmental Protection Agency Administrator

Scott Pruitt—Confirmed by a vote of 52 to 46

Small Business Administrator

Linda McMahon—Confirmed by a vote of 81 to 19

Office of Management and Budget Director

Mick Mulvaney—Confirmed by a vote of 51 to 49

United Nations Ambassador

Nikki Haley—Confirmed by a vote of 96 to 4



NATIONAL INSTITUTES OF HEALTH UPDATE

FY17 & FY18 BUDGET



The Trump Administration's fiscal year (FY) 2018 "skinny" budget release from March 16th requested that

Congress increase defense spending by \$30 billion and provide \$3 billion for border security for FY2017, the current fiscal year. As an offset, the Office of Management and Budget (OMB) proposed \$17.9 billion in unspecified spending cuts for FY2017.

Those unspecified proposed cuts have become public and OMB is seeking \$1.232 billion cut to the National Institutes of Health (NIH) in FY2017. The request specifically suggests "eliminating" \$50 million in new Institutional Development Award (IDeA) grants and reducing research grants by \$1.18 billion. The Administration targets \$7.2 billion in overall cuts from programs funded by the Labor-Health and Human Service-Education (Labor-HHS) Appropriations Subcommittee.

When questioned at a recent hearing about whether he was consulted on the FY2017 cuts, Secretary Tom Price said that the proposals in question were a work in progress.

Thank you for all of your tremendous outreach in response to the proposal to cut IDeA funding in FY2017. IDeA supporters in Congress and throughout the nation worked hard last year to ensure that the IDeA program would be funded at a level equal to 1 percent of the overall NIH budget and it is important to maintain that funding level through final negotiations on the FY2017 bills. Additionally, both chambers included language indicating that IDeA should be prioritized within

key NIH initiatives like the BRAIN initiative and Alzheimer's research, to ensure that innovative ideas get the attention and funding they deserve from NIH, no matter where they occur.

IDeA has been highly successful in increasing the competitiveness of researchers and academic institutions. Measures of success include breakthroughs in post-traumatic stress disorder, asthma, stroke, dementia, multiple sclerosis, cancer, and many other diseases and disorders that affect human health. According to NIH, the IDeA program is full of best practices that should be replicated nationally including scientific training opportunities provided by the INBRE networks, support and mentoring of early-stage independent investigators through the COBREs, and cooperation and sharing of resources to create synergies and economies of scale.

***"INBRE and COBRE
are important to us."***

*—Senator Jerry Moran (R-KS)
remarked of the IDeA program
during the L-HHS Subcommittee
hearing on March 8, 2017.*

It is important to note that none of the proposed spending reductions will go into effect without Congress' approval, and appropriators in recent interviews have balked at such dramatic changes in current year funding, especially given that negotiations have concluded on most of the FY2017 spending bills. These cuts, however, may be a preview of what is to come with the expected May budget proposal and are something the EPSCoR/IDeA Coalition is watching closely.

House Labor-HHS Subcommittee Chairman Rep. Tom Cole (R-OK-04) stated that \$18 billion in cuts would be problematic so late in the fiscal year saying, "Well, you know that's fine but it's a little late in the process. We've closed out our bills."

Senate Labor HHS Appropriations Subcommittee Chairman Roy Blunt (R-MO) said he does not expect the FY2017 wrap-up bill will include any money for the Administration's proposed \$30 billion defense supplemental or its \$3 billion border security supplemental saying, "You are much more likely to get it done without the supplemental and then look at the supplemental as a separate package." Blunt also said he also expects that the final product will be an 11-bill omnibus package.

Republicans in both chambers say they aim to pass an omnibus that wraps up the 11 unfinished spending bills for fiscal 2017, with the fallback option of a final continuing resolution for the remainder of the fiscal year. House Appropriations Chairman Rodney Frelinghuysen (R-NJ) has indicated that a legislative package to wrap up the FY2017 spending bills should be announced soon.

Time, however, is running short with Congress scheduled to be in recess for the next two weeks and the current Continuing Resolution (CR) expiring on April 28th. The current plan is to have final legislation ready to move the day Congress returns from its two-week Easter recess on April 25th.

For more information on NIH IDeA, please contact Mr. Mike Adcock at madcock@vsadc.com.

NATIONAL INSTITUTES OF HEALTH UPDATE

L-HHS APPROPRIATIONS HEARING

ON MARCH 29TH, 2017, the House Labor-Health and Human Services (HHS) Appropriations Subcommittee held a hearing to examine the Trump Administration's proposed FY2018 Health and Human Services budget. HHS Secretary Tom Price, *pictured right*, was the only witness. A webcast of the hearing and Secretary Price's opening statement can be found [here](#).

Chairman Tom Cole opened the hearing by talking about the increases that Congress has provided for NIH in recent years and his hope that Secretary Price will be able to work with another substantial increase for FY2017 if Congress passes a spending bill as opposed to another CR. Price said that "The vision for HHS has only been laid out in broad strokes...Specific decisions on programs and account levels are still under consideration. Those details, as well as proposals on mandatory spending, will be included in president's full 2018 budget proposal which is expected in mid-May."

Many members spoke during the hearing about the proposed cuts in both FY2017 and FY2018. Cole said that reducing funding to the NIH and the Center for Disease Control and Prevention (CDC) would leave the nation less secure and that he would push for major revisions to President Trump's proposed budget plan. Rep. Pocan (D-WI-2) wanted to know if HHS was consulted on the recently released list of cuts for FY17. Price responded that they need to identify savings to provide "the biggest bang for the buck." Price further noted that the document is a work in progress. Overall, Price was vague in his answers to most questions and stated that he wanted to look at "efficiencies and decreasing duplication" in medical research funding.

Chairman Cole also drew attention to the important role CDC plays, noting that the focus is always on NIH, but that it is important that CDC remain robustly

funded. He said that maintaining the ability to respond to terrorist attacks and respond to unexpected things like Ebola and Zika are extraordinarily important noting that someone is far more likely to die from a pandemic than from a terrorist attack. Rep. Lucille Roybal-Allard (D-CA-40) also wanted to know if Price would ensure that CDC has sufficient resources. Price said he would commit that CDC can accomplish its core mission, an answer that did not satisfy Democrats on the panel.

Rep. John Moolenaar (R-MI-04) wanted to know who would manage the newly proposed Emergency Response Fund, to which Price responded that it is still a work in progress and he would love to have feedback. A few members, including Rep. Moolenaar and Rep. Chuck Fleischmann (R-TN-03), inquired about resources for The Biomedical Advanced Research and Development Authority (BARDA). Price said he would make sure it was a priority and that the Office has resources.

Subcommittee Ranking Member Rosa DeLauro (D-CT-03) said the proposed cuts are unattainable and she hopes that President Trump's budget is dead on arrival because the cuts will cause harm. House Appropriations Committee Ranking Member Nita Lowey (D-NY-17) noted that it was strange for Price to come before the committee with few details and numbers. Rep. Lowey also spoke about the proposed 18 percent cut to the HHS budget saying that it puts critical priorities at risk such as mental health, substance abuse, vaccine development, etc. Both Reps. DeLauro and Lowey expressed a desire to have Price return to testify before the committee in May after the full budget is released and they have a full picture of the proposed budget. Cole said after the hearing that he expects to have another hearing on the NIH budget around May.



Secretary of Health and Human Services and former Georgia Congressman, Dr. Tom Price, testifies at a hearing in March.

The proposed NIH reorganization was also the topic of a few questions. Rep. Roybal Allard asked about the reorganization and the Agency for Healthcare Research and Quality (AHRQ), stating that with the proposed reduction in the budget, NIH would not be able to support their own mission, much less that of AHRQ. She wanted to know if they intended to eliminate AHRQ or make it an institute at NIH. Price said that NIH would assume the duties of AHRQ but make sure to continue to fulfill the duties of NIH.

The opioid epidemic was another issue that was the focus of questions by several members, as well as something that was addressed by Secretary Price in his opening statement (along with mental health). Rep. Steve Womack (R-AR-03) said that the reaction is often to throw money at a problem and not always know where it is going. He noted the importance of making sure that money is targeted to things that will actually work. Price said that grants associated with the 21st Century Cures bill will be going out in April and they hope to identify areas having success in treatment so they can put resources in area of greater benefit. He also mentioned the Executive Order that the President signed creating a task force on drug addiction.

NATIONAL INSTITUTES OF HEALTH UPDATE

INDIRECT COSTS

During the recent House Appropriations Labor-HHS Subcommittee hearing, HHS Secretary Tom Price told the panel that “about 30 percent of the grant money that goes out is used for indirect expenses which, as you know, means that that money goes for something other than the research that's being done.” A few members furthered this discussion and Rep. Andy Harris (R-MD-01), an anesthesiologist, urged a closer look at indirect costs, citing much lower figures allowed for such expenses by private organizations that support medical research.



Maryland Representative, Dr. Andy Harris, urged a closer look at indirect costs during a hearing in March.

Rep. Harris specifically stated:

“Obviously we're all very interested in the NIH but, you know, you bring up the issue of indirect cost, which is interesting. I mean, I've had NIH grants, I know how it's done.

Are you aware that when the American Lung Association issues a research grant to a researcher at Hopkins or somewhere else, they pay no indirect costs, they don't allow them? The American Heart Association, maximum 10 percent, Alzheimer's Association, we have people in the room, 10 percent, Bill and Melinda Gates foundation, 10 percent, that's it.

Robert Wood Johnson Foundation,

they're really generous, it's 12 percent and yet the NIH, on taxpayer dollars, are allowing grants to go out at much, much higher indirect cost loads. So I -- you don't have to -- have to answer.

I would just make the comment, it's very interesting that the private sector doesn't hold these indirect costs to be so valuable as to pay them but when the taxpayer dollar's involved somehow we do. And you're right, the indirect cost total for last year was \$6.4 billion dollars. Actually if we just issued our grants with American Lung Association rules we could actually fund more research than we do, with the president's skinny budget proposal of \$5.8 billion cut.”

After the hearing, Subcommittee Chairman Tom Cole, a big supporter of increasing NIH funding, said that he's “anxious” to hear more about how much NIH funding goes for indirect costs. Chairman Cole further stated during the hearing that he expected universities to make a good case for some indirect costs.

It is likely that reform of the indirect cost process will be examined in the coming months, particularly in the House. Relevant committees could begin with NIH which could then lead into a review of the National Science Foundation's policies as well. While it is early in the discussion, there is a concern among certain Members of Congress over the perception that indirect costs have risen significantly over the last few years.

It has been a number of years since the Appropriations Committee has discussed indirect costs but it could be the tactic used by the Administration to justify spending cuts in research accounts. There is no need for action right now but we wanted to make sure that you were aware that this conversation has begun in the House. The Senate has not yet scheduled a hearing with Secretary Price but it could come up again when that hearing occurs. The EPSCoR/IDeA Coalition will be monitoring these discussions and report back so that you are up to date.

U P C O M I N G E V E N T S

M A Y 2 0 1 7

*Coalition and Foundation Board
Conference Calls*

Details to follow

J U L Y 2 0 1 7

Joint Board Retreat

Reno, Nevada

Details to follow

D E C E M B E R 5 / 6 , 2 0 1 7

Coalition and Foundation Board Meetings

Washington, D.C.

Details to follow

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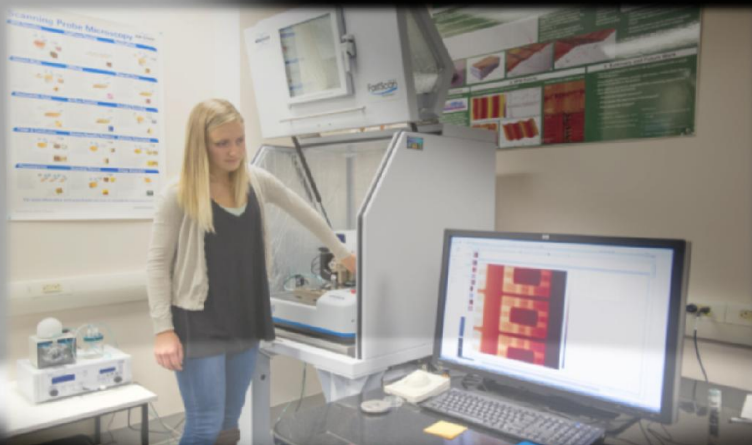
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STUDENT *Spotlight*

on Katie Yocham, Boise State University



Find Katie's
full spotlight
[here.](#)