

FY19 – President's Federal Budget Request (PBR)

President Trump presented his second budget request to Congress on Monday, February 12, 2018, formally starting the Congressional appropriations process. Congressional committees will now move to set budget and appropriations limits, and individual Cabinet members will advocate for their departments' requests. We will be working with our Individual members on our priority FIU requests.

The President's Budget is only a proposal, as Congress holds the power of the purse. Nevertheless, the President's proposed budget process is important in understanding the priorities and desired initiatives of the Administration.

Making this year's roll out a bit unique was the passage into law last week of a budget deal, just days before this week's presentation. That agreement sought increases to spending of 11% in FY19, where the President's budget calls for a decrease of 12%. As a result, the Office of Management and Budget (OMB) presented an addendum which actually restored some proposed funding, in particular to NSF, NIH and the Department of Energy.

Much like the FY2018 request, this budget proposes eliminating several higher education and research programs, including the Supplemental Educational Opportunity Grant program, GEAR UP, Title VI International Education, the Advanced Research Projects Agency-Energy, and the National Endowment for the Humanities.

Key Budget Highlights Include:

- **\$3 trillion in spending cuts** over 10 years and projects a nearly 3% economic growth rate over the next decade.
- Reduces non-defense discretionary spending by **\$65B** (or 12%) in FY19 or by \$1.5 trillion over the next decade. (Note, the recent budget deal actually increased NDD spending by roughly 11 percent in 2019.)
- reduction of **\$350M** in Science and Technology Research funding at DOD
- \$17 billion in opioid-related spending in 2019, including \$10 billion in new funding for the Department of Health and Human Services.
- \$200 billion for its infrastructure initiative over the next ten years
- 200M new dollars for new apprenticeship programs
- \$200M new dollars for STEM Education
- A reduction of \$350M in Science and Technology Research funding at DOD
- **Unlike in the FY2018 PBR, the FY2019 budget does not propose a cut to F&A cost reimbursement for NIH grants; yet, such a reduction in rate is proposed for USDA grants.**

Below are some relevant highlights based on FIU federal priorities in starting with Dept. of Ed. And then continuing in alphabetical order.

Department of Education

- Proposes **\$63.1 billion** in discretionary funding for the Department of Education, a \$3.8 billion decrease (5.6 percent decline from the FY2017 level).
- Parallel's the House of Representative's Prosper Act's (reauthorization of the Higher Education Act) reshaping of the student aid system.
- Addendum would restore some cuts proposed below with \$1.7 billion for Impact Aid, Federal Work Study, and TRIO programs at the Department of Education.

FINANCIAL AID:

- **Pell Grants**
 - Maintains the discretionary appropriation of the Pell Grant program at **\$22.475B**, which is sufficient funding to **retain the maximum Pell Grant of \$5,920**.
 - Proposes expanding Pell Grant eligibility to "high-quality" short-term programs with "sufficient guardrails in place to balance students' needs with protecting taxpayers' interests."
 - Would eliminate the Supplemental Educational Opportunity Grant (SEOG) program.
- **Federal Work Study:**
 - Significantly reduces the Federal Work Study from **\$990 million to \$500 million**.
 - Would "dramatically reform" the Federal Work Study program to "allocate funding to institutions enrolling high numbers of Pell Grant recipients that would support workforce and career oriented training opportunities for low-income undergraduate students."
- **Loans**
 - Would consolidate five income-driven repayment plans into one plan which would set monthly payments at 12.5 percent of discretionary income and eliminate the standard repayment cap.
 - Undergraduate borrowers would be eligible for forgiveness after 15 years while graduate students would be eligible after 30 years of repayment.
 - The plan would raise monthly payments for some borrowers (from 10 percent to 12.5 percent) but would reduce the time to forgiveness for undergraduates from 20 years to 15.

OTHER HIGHLIGHTS:

- Consolidates six MSI programs into a **\$147.9 million** formula grant program which may be based on number of Pell students enrolled, and overall number of students completed). These programs would be consolidated:
 - **\$30.4** million from the current Aid for Institutional Development (Title III) program authority

- Strengthening Alaska Native and Native Hawaiian Serving Institutions
- Strengthening Predominantly Black University
- Strengthening Asian American and Native American Pacific Islander Serving Institutions
- Strengthening Native American Serving Nontribal Institutions
- **\$117.5** million from the Aid for Hispanic-Serving Institutions (Title V)
 - Developing HSIs
 - Promoting Post Baccalaureate Opportunities for Hispanic Americans (PPOHA)

INCREASES:

• While TRIO would see an increase, it is to allow a transition to a state formula TRIO grant, while preserving current grant awards of \$950 million	+400M
• New grant program for STEM career and technical education programs	+20M
• Direct at least \$200 million to STEM education	+200M

REDUCTIONS

• Federal Work Study, budgeted at \$200M	-790M
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ELIMINATIONS:

Eliminates \$5.9B in funding for 29 discretionary programs

• 21st Century Community Learning Centers	-1.12B
• Comprehensive Literacy Development Grants	-190M
• Federal Supplemental Educational Opportunity Grants	-733M
• GEAR UP Early Awareness and Readiness for Undergraduate Programs	-340M
• International Education	-72M
• Promise Neighborhoods	-73M
• Statewide Longitudinal Data Systems	-32M
• Strengthening Institutions	-87M
• Student Support and Academic Enrichment Grants	-400M
• Supporting Effective Instruction State Grants	-2B
• Teacher Grant Programs School Leader Recruitment and Support	-15M
• Supporting Effective Educative Development (SEED)	-65M
• Teacher and School Leader Incentive Grants	-200M
• Teacher Quality Partnership	-43M
• Regional Education Labs	-54M

OTHER PROJECTED SAVINGS over 10 years

• Create Single Income-Driven Repayment Plan	128B
• Eliminate Public Service Loan Forgiveness	45B

Department of Agriculture

- National Institute of Food and Agriculture, budgeted at 1.39B
 - \$170M for Minority-Serving Institutions
 - \$375M for Agriculture and Food Research Initiative while eliminating lower priority programs and varying slight reductions for capacity programs.
 - Reduction to Crop Protection and Pest Management Activities, budgeted at \$25M -\$9M
 - Note: The administration proposes to lower the facilities and administrative (F&A) cap for NIFA grants from 30 percent to 10 percent.**

Department of Commerce

- Supports the commercial sector’s development of next generation wireless services, including the Internet of Things
- Eliminates Minority Business Development outreach centers
- Eliminates the Manufacturing Extension Partnership (MEP) program, which provides consulting services to small- and medium-sized manufacturers.
 - Manufacturing Extension Partnership -125M

National Oceanic and Atmospheric Agency

INCREASES:

- National Ocean Service:
 - \$896K to boost reliability and accuracy of foundational geospatial data including coastal flood forecasting, emergency response, habitat restoration.

REDUCTIONS

- National Ocean Service:

○ Discontinues cooperative agreements with academic institutions for joint ocean and coastal mapping centers.	-1.9M
○ Reduces grants to 11 regional observing systems	-11M
- Office of Atmospheric Research -192M
 - Reduces competitively funded research that advances regional decision-making capabilities. -48M

ELIMINATIONS:

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| <ul style="list-style-type: none"> Grants and Education -273M <ul style="list-style-type: none"> the Office of Education |
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○ 33 Sea Grant programs	-72M
○ Discontinue National Estuarine Research Reserve System;	-23M
○ discontinues grants to state agencies and academic institutions	-1.6M
○ Coastal Zone Management Grants;	
● NCCOS Competitive Research program	-9.6M
● Office of Atmospheric Research	
○ Arctic research	-5.6M

National Institute of Standards and Technology

Proposed funding of \$730M

-316M

REDUCTIONS/ELIMINATIONS:

- Proposes the elimination of 325 employees.
- Manufacturing Extension Program (MEP)-

Department of Defense

- \$13.7B in science and technology funding (6.1(Basic) and 6.3 (applied) -350M
- Priorities: to further innovation and new and advanced capabilities including hypersonics technology, cyber space, space, directed energy, electronic warfare, unmanned systems and artificial intelligence.
- Added emphasis on Resilience: harden and disperse forward bases and posture
- \$8B to advance DOD's cyber missions

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| ● Basic Research (6.1) , proposed at \$2.2B | -7M |
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Army Corps of Engineers

- Reduction of **\$4.8B** (-20%)
- Prioritizes operating and maintaining existing infrastructure, improving its reliability, and improving its resilience to cyber-related attacks
- 26 construction projects and programs, consisting of 12 flood risk management projects, including:
 - Herbert Hoover Dike jointly funded with State of Florida **\$96M**
 - South Florida Ecosystem Restoration (Everglades), FL **\$68M**
- Flood Risk Management program is proposed at **\$1.491B**
- Aquatic Ecosystem Restoration program is proposed at **\$224M**

Department of Energy

- Office of Science originally slated for a 22% cut, now remains proposed at **\$5.4B** (flat)
- **\$75M** for electric grid and energy sector cybersecurity R&D.
- It also establishes a separate account for Cybersecurity, Energy Security, and Emergency Response (CESER) that consolidates funding to execute the expanded cybersecurity responsibilities assigned to DOE.

- The Budget proposes to split the Electricity Delivery and Energy Reliability (OE) account, which totals **\$157M**, into two accounts to increase focus on grid reliability (Electricity Delivery) and cybersecurity (CESER).
- **\$2.1B** to operate national labs and world-class scientific instruments for over 30,000 researchers.

INCREASES

• Environmental Management proposed at \$6.6B	+182M
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ELIMINATIONS

• Advanced Research Projects Agency - Energy	-305M
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Environmental Protection Agency

- Funds the Office of Science and Technology with **\$449M**, a cut of **-257M**.
- Enhances Monitoring of America’s Significant Watersheds (Mentions Great Lakes and Chesapeake Bay in particular)
- Prioritize intramural research activities that are either related to statutory requirements or that support basic and early stage research and development activities in the environmental and human health sciences.”

REDUCTIONS

• Categorical Grants, proposed at \$597M	-469M
• Research and Development, proposed at \$264M	--229M
• Superfund proposed at \$762M	-327M

Department of Health and Human Services

- Addendum includes: **\$10B** in discretionary funding to address the opioid epidemic and serious mental illness.
 - improves access to prevention, treatment, and recovery services, including medication assisted therapies;
 - targets availability and distribution of overdose reversing drugs;
 - strengthens understanding of the epidemic through better public health data and reporting;
 - support cutting edge research on pain and addiction; and • advance better practices for pain management.
- **Caps the percentage of investigator salary that can be paid with grant funds to 90 percent of total salary, and reduce the limit for salaries paid with grant funds from \$187,000 to \$152,000.**
- Maintains funding for Alzheimer’s Disease activities at **\$19M**, for Administration for Community Living
- Budget does not include funding across SAMHSA for Minority Fellowship Programs

- Eliminates funding for almost all Title VII and Title VIII health care workforce programs. Funding for Title VII and Title VIII programs in FY2017 amounted to **\$539M**.

ELIMINATIONS:

• Agency for Healthcare Research and Quality	-324M
• Community Services Block Grant	-715M
• Health Workforce Programs	-451M

National Institutes of Health

• Originally slated for a 21% cut, the president's request addendum increases funding to \$34B .	+700M
• Consolidates three other HHS agencies into NIH: <ul style="list-style-type: none"> ○ Agency for Healthcare Research and Quality (AHRQ) ○ National Institute for Occupational Safety and Health, (currently under the Centers for Disease Control and Prevention) ○ National Institute on Disability, Independent Living, and Rehabilitation Research 	
• <u>Unlike in the FY2018 PBR, the FY2019 budget does not propose a cut to F&A cost reimbursement for NIH grants.</u>	
• Yet, caps the percentage of investigator salary that can be paid with grant funds to 90 percent of total salary, and reduce the limit for salaries paid with grant funds from \$187,000 to \$152,000.	
• Opioid response: <ul style="list-style-type: none"> ○ \$350M from the new \$10B investment for dedicated opioids, serious mental illness, and pain related research at NIH ○ \$400M to combat and address the Opioid Epidemic ○ \$100M in a public-private partnership to accelerate the development of safe, non-addictive, and effective strategies to prevent and treat the Opioid Crisis 	
• \$95M for NIDILRR activities, which compliments existing NIH research portfolios addressing disabilities and aging (NIDILRR Total Budget)	

INCREASES

• National Inst. of Drug Abuse proposed at \$1.1B	+54M
• National Inst. of Neurological Disorders and Stroke proposed at \$1.8B	+67M
• National Inst. on Disability, Independent Living, and Rehabilitation Research	+95M

REDUCTIONS

• National Institute on Aging proposed at \$1.9B	-46M
• National Institute on Alcohol Abuse and Alcoholism proposed at \$469M	-11M
• National Inst. of Minority Health and Hlth Disparities, proposed \$281M	-7M

Department of Homeland Security

- Budget includes **\$1B** to support DHS's efforts to safeguard the Federal Government's civilian information technology systems against cybersecurity threats. These funds also support DHS efforts to share cybersecurity information with State, local, and tribal governments, as well as with international partners and the private sector.

INCREASES:

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| Cybersecurity Infrastructure Resilience – Education \$10M | +9M |
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ELIMINATIONS

- University Program's Centers of Excellence
 - Coastal Resilience Center
 - Center for Awareness and Localization of Explosive Related Themes

FEMA

- **\$1.9B** for grants to State and local governments.
- New Competitive Preparedness Grant Programs **\$522M**

INCREASES:

- FEMA Disaster Relief Fund **\$6.9B**

ELIMINATES:

- National Domestic Preparedness Consortium.

REDUCTIONS

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| Flood Hazard Mapping /Risk Analysis Progr. proposed at \$100M | -78M |
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Department of Housing and Urban Development

- Budget includes an 18.3% reduction in funding, request of \$39.2B **-\$8.8B**

ELIMINATIONS

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| Community Development Block Grant | -3B |
| Choice Neighborhoods | -138M |

Department of Interior

- Budget requests **\$11.3B** for FY19 (16% decrease).
- Includes **\$179M** in water-related science, monitoring, research, and development to better understand the water resources challenges facing the nation and develop new technologies to respond to those challenges.

REDUCTIONS

• Federal Land Acquisition, proposed at \$146M	- 8M
• National Water Quality , proposed at \$69.6M	-20M

ELIMINATIONS

• National Wildlife Refuge Fund	-13M
• Cooperative Research Units	-17M
• Eliminate USGS) Water Resources Research Institutes	-6.5M
• Eliminate the USGS Cooperative Fish and Wildlife Research Units	-17M

U.S. Geological Survey

- Overall reduction of **\$218M** for a FY19 request of **\$859M**.
- Includes **\$69M** for National Water Quality Program activities including the monitoring and analysis of water quality samples from the Nation's streams and rivers, and modeling of water quality and nutrients, pesticides sediments, and other water constituents.
- Includes **\$165M** for Water Resources

ELIMINATIONS

• Climate and Land Use Change	148M
○ Climate Variability	53M
• Environmental Health	21.1M
• Water Resources Research Act Program	6.456M

REDUCTIONS

• Coastal/Marine Hazards and Resources, proposed at \$35.5M	-4.6M
• Climate Research and Development Ecosystem Modelling	- 9.8M
• Water Resources, proposed at \$164M	- 48.4M

Department of Labor

- Includes **\$200M** for new apprenticeship programs at Employment Training Administration
- OMB Addendum included an additional **\$1.5B** for workforce development grants returning the State formula grants to their FY 2017 level

INCREASES

• YouthBuild Youth Labor Training Initiative \$59M	+25M
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ELIMINATIONS

• Migrant and Seasonal Farmworker Training	-82M
• OSHA Training Grants	-11M

Department of State + USAID

- **\$25.8B** (26% decrease) -\$9B
- Supports the Global Health Security Agenda (GHSA) to prevent, detect, and respond to infectious disease threats abroad
- Includes **\$2B** for lifesaving health interventions through USAID to address Malaria, tuberculosis, and Neglected Tropical Diseases, and the U.S. contribution to Gavi, the Vaccine Alliance.
- Includes: **\$518M** for Food Security and Resilience; increased emphasis on resilience and evidence-based programs that aim to address root causes of vulnerability, particularly in Sub-Saharan Africa.
- Includes **\$1.1B** for Central and South America, Mexico, and the Caribbean to break the power of transnational criminal organizations and networks; help shut down illicit pathways for irregular migration and goods; and address insufficient economic opportunity, weak governance, and inadequate security, all of which drive irregular migration.
- **\$1.4B** in assistance to fight against corruption and support efforts that promote democratic governance principles, such as rule of law, transparency, and accountability.
- **\$565M** for Public Diplomacy (PD) programs to inform foreign opinion and counter misinformation about the U.S.
- Reduction of 75% in funding for the Department of State's Educational and Cultural Exchange programs, citing the popularity of private-sector exchanges to justify scaling back federally-funded programs.

CONTINUATIONS:

Now under the Economic Support and Development Fund, proposed budgets include:

• Western Hemisphere	390M
○ U.S. Strategy for Central America	\$270M
○ Colombia	\$100M
○ Cuba	\$10M
○ Venezuela	\$9M
○ Haiti	\$39M
○ Mexico	\$20.3M
○ Peru	\$20M
• Caribbean Basin Security: Intl. Narcotics and Law Enforcement	\$20M

REDUCTIONS

• Global Health	-599M
• Educational and Cultural Exchanges	-475M

○ Fulbright program	-70M
• International Organization Contributions	-703M
• Overseas Contingency Operations	
• Peacekeeping (Base Budget Authority)	-332M
• National Endowment for Democracy	-26M

ELIMINATIONS

• Development Assistance	-2.8B
(transferred to consolidated Economic Support and Development Fund)	
• The Asia Foundation	-17M
• East-West Center	-17M
• Global Climate Change Initiative	-160M
• Title II Food Aid	-1.6B

Department of Transportation

- **\$1B** reduction in discretionary spending.
- Reduction of discretionary spending by **\$3.7B** to **\$15.6B** and an increase in mandatory funding of **\$2B** to **\$60B**.
- FHWA Total budget request **\$44.7B**
- **\$2.6B** to the Federal Highway Administration's (FHWA) Highway Safety Improvement Program, to assist States in the implementation of their safety plans.
- **\$11.88B** for the Surface Transportation Block Grant Program (STBG), which provides flexible funding that States and localities can use to improve the condition and performance of their roads and bridges through a wide range of eligible projects.

INCREASES

• Office of the Assistant Secretary for Research and Technology	
○ University Transportation Center program	+2.5M
• Infrastructure for Rebuilding America Grants	+50M

ELIMINATIONS

• TIGER Grants	-500M
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REDUCTIONS

• Capital Investment Grants (New Starts), proposed at \$1B	-1.4B
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NASA

- **\$19.9B** a 1%, increase from FY17.

ELIMINATIONS

- Office of Education -100M

National Science Foundation

The president's budget addendum maintains funding at 7.5B.

Education and Human Resources (Flat funding) 873M

INCREASES:

- Research and Related Activities Directorate \$6.1B +118M
- Increases proposed for two of the NSF Big Ideas
 - The Future of Work at the Human-Technology Frontier
 - Harnessing the Data Revolution

REDUCTIONS:

- Major Research Equipment & Facilities Construction -120M

OTHER INDEPENDENT AGENCIES

ELIMINATIONS:

• Corporation for National and Community Service	-907M
• Corporation for Public Broadcasting	-480M
• Institute of Museum and Library Services	-208M
• International Development Foundations African Development Foundation	-25M
• Inter-American Foundation	-19M
• Legal Services Corporation	-367M
• Marine Mammal Commission	-3M
• National Endowment for the Arts	-121M
• National Endowment for the Humanities	-108M
• Woodrow Wilson International Center for Scholars	-4M