

October 2011

What's Ahead on the Hill

October 21, 2011 -- While GHTC staff is in Kenya documenting the impact of global health research and technologies, back in Washington, DC, Congress continues to debate how to keep the government running in the midst of a rollercoaster appropriations process.

In keeping with the priorities of his administration, President Obama's fiscal year (FY) 2012 budget [request](#) for global health programs supported increases in several areas, including funding for global health research and development (R&D) at the US Agency for International Development (USAID) and the National Institutes for Health (NIH),—two of the largest funders of clinical trials and product development—among other agencies. In past years, global health programs have been buffeted by strong bipartisan support. Consensus remains across Congress and the Administration that global health funding has paid off. Despite the substantive cuts we saw in most government programs in the FY2011 budget, USAID maternal and child health funding held steady at \$548 million (plus \$90 million for nutrition), and malaria actually rose by \$33.7 million, to \$618.7 million. However, some product development partnerships (PDPs) did see their budgets reduced in FY2011, and have been warned to prepare for more cuts in the next year.

Due to difficult economic times and conflicting priorities between the House of Representatives and the Senate, it seems unlikely that Congress will sustain the levels we saw in FY2011 for additional years. The House of Representatives [approved](#) deep cuts in nearly every government program, including [global health programs](#) at the NIH, the Centers for Disease Control and Prevention (CDC), and [USAID](#), regulatory capacity at the Food and Drug Administration (FDA), and groundbreaking disease-specific research programs within the Department of Defense (DoD).

However, there is some good news to be had. The Senate appropriation [levels](#) are much friendlier to global health, and to foreign assistance overall, than the House levels. The Senate funded the NIH at current year levels—a success in this thorny fiscal environment—and most disease-specific programs at USAID either received small increases or were flat-funded. The proposed new [National Center for Advancing Translation Science \(NCATS\)](#), which would help move scientific breakthroughs from the lab down the clinical pipeline, was authorized and partly funded. The Senate also cut the overall State and Foreign Operations (SFOPS) account by \$3.5 billion from FY2011 levels; however this level was still roughly \$5 billion above that of the House. The task now will be to reconcile the two different versions, while following the spending cap rules required by the new debt reduction law. One hurdle may be the House State and Foreign Operations legislation, which, in an effort by the House subcommittee to avoid making sacrificial cuts itself, does not break down funding for specific initiatives like HIV/AIDS and malaria, leaving those tradeoffs up to USAID leadership. Another point of difference lies outside

the SFOPS account—the Defense Military HIV Research Program (MHRP) received a 70% cut in the Senate legislation, but was fully funded in the House version.

In addition to the appropriations activities outlined above, the Joint Select Committee on Deficit Reduction (the 'super committee') also must weigh in on funding levels for the next several fiscal years. The super committee had its first closed meeting last month, and has until November 23, 2011 to make its recommendations to Congress for cutting at least \$1.2 trillion over 10 years. In order for the recommended budget to be scored by the Congressional Budget Office by the deadline, a plan will likely be finalized by late October. If no agreement is reached, or if Congress does not approve an agreement by December 23, 2011 an across-the-board cut will be applied to most government programs. This cut would occur on January 1, 2012, and half would apply to defense accounts and half to non-defense accounts. SFOPs and Senate Labor, Health and Human Services, and Education (LHHS) are included in the non-defense account category for this purpose.

To add yet another factor to this complicated equation, since Congress failed to complete the appropriations process by the end of the current fiscal year, urgent continuing resolution legislation (CR) have been required to keep the government open until the process is finalized. The government is currently operating under a CR that cut 1.5% across the board from FY2011 levels to all government programs, but contains no other cuts targeted at international development or global health accounts. This is a temporary blessing for important programs that must continue their progress while funding levels are hammered out. It is likely that several CRs will be needed to buy enough time for Congress to negotiate the FY2012 budget.

With such huge potential for game-changing technologies to combat HIV/AIDS, tuberculosis (TB), malaria, and other neglected diseases developing from research occurring right now, it is essential that that the US does not retreat in its fight to save lives and improve the world we live in.

Resources:

- [Politico article on the CR.](#)
- [White House infographic on the debt reduction deal.](#)
- [ONE blog post by Larry Nowels.](#)
- [Science Speaks blog.](#)
- [USGLC budget analysis.](#)
- [Kaiser Family Foundation budget tracker.](#)
- [Bread for the World debt deal analysis.](#)