

FY2014 President's Budget Proposal

(April 11, 2013)

On April 10, the President released his FY2014 Budget Proposal. While it is a political document, it is an important marker for Congressional deliberations on spending. The President's budget does not include funding amounts for FY2013 as those are still being finalized; rather comparisons are made to the FY2012 funding baseline. NACCHO has provided an initial analysis of the budget below and will continue to revise it as more details and clarifications are provided.

The following chart demonstrates how NACCHO's funding priorities fared in the budget proposal. Please contact Eli Briggs, NACCHO Director of Government Affairs, with any questions at ebiggs@naccho.org.

NACCHO Priority Public Health Program Funding FY2014
(\$ in millions)

HHS Program (\$ in millions)	FY2012	FY2014 President's Request	NACCHO Request
Prevention and Public Health Fund (PPHF)	1,000	1,000	1,000
Public Health Emergency Preparedness Cooperative Agreements (PHEP)*	666	658	715
Community Transformation Grants (PPHF)	226.0	146.3	280
CDC Food Safety	32	49	49
Epidemiology and Lab Capacity Grants (PPHF)	94 (40.0)	94 (40.0)	94 (40.0)
Public Health Workforce (PPHF)	67 (25.0)	67 (25.0)	67 (25.0)
National Public Health Improvement Initiative(PPHF)	40.2	40.2	40.2
Section 317 Immunization Program (PPHF)	674 (190)	569 (72)	720
Preventive Health & Health Serv. Block Grant	80.1	0	100
HRSA Public Health & Preventive Medicine (PPHF)	33.1 (25.0)	8 (4.7)	33.1
ASPR Hospital Preparedness Program	379	255.0	426
OSG Medical Reserve Corps	11.2	8.9	12.6

* President's FY2014 budget no longer has a separate funding line for PHEP which is rolled up into State and Local Preparedness and Response Capability



NACCHO

National Association of County & City Health Officials

The National Connection for Local Public Health

Overall

The President's budget proposes a reduction in annual deficit levels, outlines \$360 billion in long-term health program savings and offers a replacement plan to override the sequester. The sequester cuts are replaced with an additional \$1.8 trillion in deficit reduction through new revenue, \$400 billion in "health savings," other mandatory savings, and \$200 billion in discretionary cuts split evenly between defense and nondefense programs. The \$100 billion in cuts to non-defense discretionary spending in the next decade is significantly less than the \$800 billion in cuts if sequestration remains in effect. The budget also proposes that the \$100 billion in cuts would not begin until 2017.

To see how the President's budget proposal compares to the House and Senate budget resolutions, the Washington Post has put together an [interactive webpage](#) that looks at the different budgets side by side. One can see how the budgets change the federal deficit and debt projections as well as their impact on various parts of the budget, including non-defense spending.

Health and Human Services

The President's budget provides the Department of Health and Human Services (HHS) \$80.1 billion in discretionary funding, an increase of \$3.4 billion from FY2012. More details on the President's proposal for the HHS budget can be found in the [HHS Budget in Brief](#).

Public health programs received some increases and some cuts in the budget. As in 2013, the Centers for Disease Control and Prevention (CDC) received the largest cut (7.5%) in budget authority of the agencies within the Department of Health and Human Services.

Prevention and Public Health Fund

The budget proposal includes \$1 billion for the Prevention and Public Health Fund (PPHF) for FY2014. The budget does not include the final FY2013 allocations for the PPHF, which is still under negotiation at HHS. There will likely be significant changes in the FY2013 allocations that will impact FY2014. NACCHO has created a [chart](#) of the FY2014 allocation.

Tobacco Tax

The budget includes a proposed 94 cent increase in the federal cigarette tax, with similar increases for other tobacco products. The tax would be used to pay for a public preschool education program. The proposal would raise \$78.1 billion over 10 years.

Centers for Disease Control and Prevention

The budget includes \$6.9 billion, which is a cut of \$270 million from FY2012. CDC's budget authority is cut by \$439 million from FY2012. It should be noted that funding totals are very different this year because of the Working Capital Fund. CDC is moving away from having a separate line for what they refer to as "Business Services Support" to a new system called a

Working Capital Fund. Instead of having an appropriated pot of money for business and support services, each individual program will basically “purchase” the services offered under the Working Capital Fund. Because of these changes, comparisons from year to year are challenging. Details on the CDC budget proposal can be found in CDC’s [FY2014 Congressional Budget Justification](#) or CJ. CDC has also created a series of [one-pagers](#) for each of the Centers.

Programs of interest at CDC are as follows:

- Immunization and Respiratory Diseases- \$754 million, a cut of \$61 million. The total includes \$72 million from the PPHF.
 - 317 Immunization Program - \$581 million, a cut of \$61 million from FY2012. The total includes \$72 million from the PPHF, which was reduced by \$117 million.
 - Funding to states and locals is \$569 million, a cut of \$105 million from FY2012. The CDC CJ notes that \$25 million will be used to continue projects to enable health departments to bill insurance for IZ services covered under the ACA and that CDC will be revising the 317 vaccine allocation formula by allocating vaccine direct assistance based on the estimated number of uninsured adults within each awardee’s jurisdiction.
 - Influenza Planning and Response - \$173 million, same as FY2012. This incorporates core pandemic and seasonal influenza activities.
- HIV, Viral Hepatitis, STD, and TB Prevention - \$1.17 billion, an increase of \$14 million
 - HIV Prevention - \$836 million, an increase of \$13.5 million from FY2012.
 - HIV Prevention by Health Departments - \$399 million same as FY2012; Reallocates \$10 million for projects to enable health departments to bill insurance for ID testing covered under the ACA.
 - National Programs to Identify and Reach High Risk Populations - \$401 million, an increase of \$10 million from FY2012; \$10 million to improve timeliness of HIV surveillance; Reallocates \$40 million for Community High-Impact Prevention (CHIP).
 - Division of Adolescent and School Health’s (DASH’s) HIV/STD Prevention Education program - \$35 million, an increase of \$3 million from FY2012; \$3 million to assess the effectiveness of HIV school health interventions.
 - Viral Hepatitis Prevention - \$31.4 million, same as FY2012.
 - STD Prevention - \$162 million, same as FY2012.
 - TB Prevention - \$147 million, same as FY2012.
- Emerging and Zoonotic Infectious Diseases – \$432 million, an increase of \$70 million over FY2012. The total includes \$52 million from the PPHF.
 - Food Safety - \$49 million, an increase of \$17 million over FY2012; half of increase will go to state and local health departments.
 - Emerging Infectious Diseases/Epidemiology and Laboratory Capacity Grants - \$94 million, same as FY2012 with \$40 million from the PPHF.

- National Healthcare Safety Network - \$31.6 million, an increase of \$12.5 million over FY2012.
- Advanced Molecular Detection and Response to Infectious Disease Outbreaks- \$40 million; supports investments in bioinformatics, database development, data warehousing and analytics.
- Chronic Disease Prevention and Health Promotion – \$1 billion, a cut of \$175 million from FY2012. \$415 million provided through the PPHF.
 - Community Transformation Grants - \$146.3 million, a cut of \$80 million from FY2012. \$136.3 million is funded through the PPHF.
 - Racial and Ethnic Approach to Community Health is eliminated (cut of \$54 million) and will be integrated into CTGs.
 - Tobacco Prevention and Control - \$212 million, an increase of \$14 million; \$95 million provided through the PPHF; Increase for media campaign.
 - Million Hearts - \$5 million through the PPHF.
 - Chronic grants to states:
 - Cancer Prevention and Control - \$330 million, a cut of \$42 million from FY2012. \$173 million provided through the PPHF
 - Safe Motherhood/Infant Health - \$49 million, same as FY2012.
 - Diabetes Prevention and Control - \$79 million, same as FY2012.
 - Nutrition, Physical Activity, and Obesity - \$47 million, same as FY2012.
 - Heart Disease and Stroke Prevention –\$59 million, same as FY2012.
 - School Health - \$18 million, same as FY2012.
 - Arthritis - \$27 million, same as FY2012.
 - Starting in FY2013, obesity prevention, health disease and stroke, school health and diabetes state programs will be coordinated through a new competitive five-year cooperative agreement.
 - Includes a proposal to allow state grant recipients to reallocate up to five percent of grant funds received for diabetes, heart disease and stroke, obesity, and school health activities to address cross-cutting chronic disease issues. Grantees would have to obtain approval to reallocate such funds.
- Birth Defects, Developmental Disabilities, Disability and Health - \$142 million, same as FY2012. \$75 million is provided by the PPHF.
- Environmental Health - \$155 million, a cut of \$3 million from FY2012. \$29 million is provided by the PPHF.
 - Healthy Homes (lead poisoning) - \$5 million, an increase of \$2.5 million from FY2012. Increase will allow CDC to provide expertise to state and local health departments using the Healthy Homes and Lead Poisoning Surveillance System.
 - Asthma - \$28 million, same as FY2012.
 - Environmental Health Tracking Network - \$29 million, a cut of \$6 million, provided through the PPHF.
- Injury Prevention and Control- \$182 million, \$35 million increase from FY2012.

- Intentional Injury - \$114 million, \$15 million increase from FY2012.
 - Rape Prevention and Education – \$47 million, \$5 million increase from FY2012.
 - Gun Violence Prevention Research - \$10 million in new funding.
- Unintentional Injury - \$34 million, same as FY2012.
- National Violent Death Reporting System - \$24 million, \$20 million increase from FY2012.
- Public Health and Scientific Services - \$539 million, \$22 million increase over FY2012. \$70 million is provided by the PPHF.
 - Public Health Workforce Development - \$67 million, same as FY2012. \$25 million through the PPHF.
 - Surveillance, Epidemiology, and Public Health Informatics - \$246 million, same as FY2012. \$45 million is provided by the PPHF of which \$5 million is for public health systems research, \$10 million for the Community Preventive Services Task Force/Community Guide, and \$30 million for healthcare surveillance.
 - Health Statistics - \$182 million, \$22 million increase from FY2012. Increase includes a phase in of electronic death records in 21 jurisdictions over 4 years.
- CDC's Center for Public Health Preparedness and Response - \$1.3 billion, a cut of \$48 million
 - State and Local Preparedness and Response Capability – \$658 million, a cut of \$8.2 million.
 - The President's budget eliminates the separate funding lines for the Public Health Emergency Preparedness (PHEP) cooperative agreements, the Academic Centers for Public Health Preparedness and CDC's programmatic operating costs and rolls them up into the single funding line of State and Local Preparedness and Response Capability.
 - PHEP grants would absorb the \$8.2 million in cuts to the Cities Readiness Initiative.
 - Academic Centers for Public Health Preparedness are eliminated, a \$7.9 million cut.
 - Strategic National Stockpile - \$510 million, a cut of \$8 million from FY2012.
 - CDC Preparedness and Response Capability - \$166 million, a cut of \$1 million from FY2012.
- CDC-Wide Activities and Program Support - \$173 million, a cut of \$88 million from FY2012.
 - Public Health Leadership and Support - \$116 million, \$2 million increase from FY2012. \$41.2 million is provided through the PPHF.
 - Public Health Infrastructure/National Public Health Improvement Initiative - \$40.2 million, same as FY2012.
 - National Prevention Strategy - \$1 million, same as FY2012.
 - Preventive Health and Health Services Block Grant – eliminated, an \$80 million cut from FY2012. The CDC CJ states (page 228) that there is sufficient funding to state health departments through CDC's existing activities and these activities could be

more effectively implemented through the Chronic Disease Prevention and Health Promotion Program's combined FOA.

Health Resources and Services Administration

The budget includes \$8.4 billion, an increase of \$228 million from FY2012. Details of the HRSA budget proposal can be found in HRSA's [FY2014 Congressional Budget Justification](#).

Programs of interest at HRSA are as follows:

- Community Health Centers – \$3.8 billion, an increase of \$1 billion. \$2.2 billion is mandatory funding from the Affordable Care Act.
- Public Health and Preventive Medicine Training Programs - \$8 million, a cut of \$25 million. \$4.7 million is through the PPHF. This includes funding for the Public Health Training Centers.
- Maternal and Child Health Block Grant – \$638 million, same as FY2012.
- Ryan White AIDS Programs – \$2.4 billion, a \$20 million increase over FY2012.
 - Part A cities - \$666 million, same as FY2012.
 - Part B states - \$422 million, same as FY2012.
 - Part B AIDS Drug Assistance Program - \$943 million, a \$10 million increase of over FY2012.
 - On page 30 of the HRSA CJ “Please note that the Ryan White Program is authorized through September 30, 2013. However, the program will continue to operate. The 2009 reauthorization or the Ryan White HIV/AIDS Treatment Extension Act of 2009 (P.L. 111-87, October 30, 2009) does not include an explicit sunset clause. In the absence of a sunset clause, the program will continue to operate without a Congressional reauthorization.”
- Title X Family Planning Program - \$327million, an increase of \$33.5 million from FY2012.

Office of the HHS Secretary

- Teen Pregnancy Prevention Initiative - \$104.8 million, a cut of \$4 million.

Public Health and Social Services Emergency Fund

- Assistant Secretary for Preparedness and Response – \$1 billion, an increase of \$540 million over FY2012. Details of the ASPR budget proposal can be found in PHSSEF [Congressional Budget Justification](#).
 - Hospital Preparedness - \$255 million, a cut of \$124 million from FY2012. The *Budget in Brief* claims that HPP was cut because enhanced alignment of preparedness grants (with PHEP) will allow states to make more efficient use of these resources. The Emergency System for Advance Registration of Volunteer Health Professionals is virtually eliminated to \$50,500. It should be noted that even with the cut, ASPR is estimating an increase of 21 FTEs to support the program for a total of 47.
 - Medical Countermeasure Dispensing - \$5 million in new funding.

- Biomedical Advanced Research and Development Authority- \$415 million in new budget authority.
- Project BioShield - \$250 million to replenish the Special Reserve Fund for FY2014.
- Medical Reserve Corps - \$9 million, a cut of \$2 million from FY2012.

Food and Drug Administration

Details of the FDA budget proposal can be found in FDA's [Congressional Budget Justification](#).

- The FY2014 Budget includes a proposal that requires legislative action, to allow FDA to collect fees for food facility registration and inspection as well as for food import to implement the requirements of the FDA Food Safety Modernization Act (FSMA). The additional resources, estimated at \$59 million for the food facility registration and inspection program, would enable FDA to target new and improved activities required by FSMA to modernize the food safety system and support improvements in food safety science and risk analysis to prevent food safety outbreaks. The fees collected for the food import program, estimated at \$166 million, would support FDA's food safety efforts to modernize the import system. This proposal was included in the FY2013 budget as well.
- Center for Food Safety and Applied Nutrition (CFSAN) - \$882 million, an increase of \$24.5 million.

Department of Agriculture

The budget summary for the Department of Agriculture (USDA) can be found [here](#). Details of nutrition programs are listed below.

- Food and Nutrition Service -
 - Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) - \$7.1 billion, an increase of \$54 million over FY2012.
 - WIC Farmers' Market Nutrition Program - \$17 million, the same as FY2012.

Department of Homeland Security

- Office of Health Affairs - \$132 million, a cut of \$33 million from FY2012.
 - BioWatch - \$90 million, a cut of \$21 million.
 - National Biosurveillance Integration Center - \$8 million, a cut of \$4 million.