

March 1, 2016

TO: Deans of U.S. Dental Schools
 Directors of Advanced Dental Education Programs
 Directors of Allied Dental Education Programs
 ADEA Board of Directors
 ADEA Legislative Advisory Committee

FROM: Richard W. Valachovic, D.M.D., M.P.H., ADEA President and CEO
 Yvonne Knight, J.D., ADEA Chief Advocacy Officer

RE: President Obama's Fiscal Year 2017 Budget Proposal

President Obama sent the final budget of his presidential term to Congress in February 2016. It proposes funding for federal programs for fiscal year 2017 (FY17). This memorandum provides details on proposed funding for programs of importance to academic dentistry and dental and craniofacial research.

Department of Health and Human Services

The President's budget request for FY17 includes \$1,150,252,000,000 in budget authority for the Department of Health and Human Services (HHS), of this amount \$82.8 billion is discretionary funds, or 8% of the total HHS budget.

The following charts detail programs of interest.

- Oral Health Training—Title VII Programs

Program	FY15 Appropriation	FY16 Appropriation	FY17 President's Request
Oral Health Training	\$33,928,000	\$35,873,000	\$35,873,000

In the FY16 appropriations bill, Congress provided a \$1.9 million increase above the previous year's level. This was made possible by the Bipartisan Budget Agreement of 2015, which provided additional discretionary spending in both defense and nondefense categories. This agreement made this and other increases possible. Those who participated in the ADEA Advocacy Day on Capitol Hill in April 2015 and visited their Members of Congress were instrumental in making it happen. The FY16 appropriation includes ADEA's request that \$10

million be set aside for each of the Pediatric Dental Residencies and General Dentistry Residencies.

- **Area Health Education Centers (AHEC)**

Program	FY15 Appropriation	FY16 Appropriation	FY17 President's Request
AHEC	\$30,250,000	\$30,250,000	\$0

The President made no request for the AHEC program in FY17, the same position the Administration took in FY16. ADEA will proactively support including funding for AHEC,s in FY17.

- **National Institutes of Health (NIH)**

Program	FY15 Appropriation	FY16 Appropriation	FY17 President's Request
NIH	\$29,369,000,000	\$32,311,349,000	\$33,136,349,000

NIH has been a focus of support from the Administration and Congress in tight budgetary times. Congress increased the President's request in FY16, and the President increased that amount even more. NIH will be the focus of much of the work of the White House Cancer Moonshot Task Force led by Vice President Joe Biden. It will draw upon the expertise and work across the NIH institutes and centers (ICs).

Additionally, to be established is the Vice President's Exceptional Opportunities in Cancer Research Fund, "focused on high-risk, high-return research identified by the collaborative work and new ideas stimulated by the research community."

- **National Institute of Dental and Craniofacial Research (NIDCR)**

Program	FY15 Appropriation	FY16 Appropriation	FY17 President's Request
NIDCR	\$399,886,000	\$415,582,000 ¹	\$413,396,000

The President's request for NIDCR is the same as the FY16 program level, after a transfer of funds to the Office of AIDS Research (OAR) within the Office of the Director. ADEA will make it a priority to advocate for an increase in funding.

¹ \$2.2 million of this amount was transferred to the Office of AIDS Research at NIH, leaving the program level for FY16 at \$413.4 million, the same amount as the President's request for FY17.

- **Health Career Opportunity Program (HCOP)**

Program	FY15 Appropriation	FY16 Appropriation	FY17 President's Request
HCOP	\$14,189,000	\$14,189,000	\$14,189,000

The fact that the President's budget included a request for the HCOP program is a victory for ADEA. In recent years, the Administration sought to end the program or to change its character and focus; however, each of those proposals were rejected by Congress. The budget request for FY17 proposes to fund the program as it exists, and ADEA will actively support it.

- **Ryan White, Dental Reimbursement, Part F**

Program	FY15 Appropriation	FY16 Appropriation	FY17 President's Request
Ryan White	\$13,122,000	\$13,122,000	\$13,122,000

The FY 2017 President's budget requests flat funding for the dental reimbursement program under Ryan White, Part F.

- **National Health Service Corps (NHSC)**

The President's budget requests additional mandatory funding and new discretionary funding for the NHSC. The \$20 million request would fund the NHSC Mental and Behavioral Health Initiative, \$18 million of which will be used for loan repayments and the balance for recruitment. The additional \$50 million in mandatory funds would be used to support further the above Initiative and an Initiative to Increase Treatment for Prescription Drug Abuse and Heroin Use. For the latter initiative, the funds would be spread over two years (\$25 million in FY17 and \$25 million in FY18) with \$45 million going to loan repayment and \$5 million for recruitment. This is part of the President's government-wide \$1 billion Opioid and Heroin Abuse initiative, which will be discussed later.

The table below displays the NHSC budget by program element and expected program measures:

Programmatic Elements	FY15 Appropriation	FY16 Appropriation	FY17 President's Request
Field Line	\$60,000,000	\$70,000,000	\$70,000,000
Scholarships	\$44,026,000 (196 new awards and 11 continuations)	\$41,000,000 (165 new awards and 16 continuations)	\$38,000,000 (146 new awards and 13 continuations)
Loan Repayment	\$159,200,000 (2,934 new awards and 1,841 continuations)	\$172,000,000 (2,654 new awards and 1,732 continuations)	\$167,000,000 (2,442 new awards and 2,006 continuations)
Students to Service Loan Repayment	\$11,538,000 (100 new awards)	\$14,000,000 (117 new awards)	\$20,000,000 (167 new awards)
State Loan Repayment	\$12,700,000 (620 awards)	\$13,000,000 (433 awards)	\$15,000,000 (500 new awards)
Total	\$287,464,000	\$310,000,000	\$310,000,000

Department of Education

The President's budget for the Department of Education (ED) includes a total of \$69.4 billion for FY17, an increase of \$1.3 billion over the current year. Within this overall amount, \$2.2 billion will fund higher education programs and \$22.9 billion funds various student aid programs.

- Pell Grants

Program	FY15 Appropriation	FY16 Appropriation	FY17 President's Request
Pell Grants ²	\$27,628,285,000	\$28,321,000,000	\$31,014,000,000

The budget assumes 16.2 million applicants in the 2017-2018 school year, an increase of more than 340,000 applicants after declining in recent years. The maximum Pell Grant award for the 2017-2018 award year is \$5,935.

The President proposes two new Pell Grant awards. First, the On-Track Pell Bonus would award \$300 per semester for students who enroll in at least 15 credit hours. It is expected that approximately 2.3 million students will qualify. The Second-Chance Pell reinstates eligibility for

² Includes mandatory and discretionary funds.

incarcerated individuals who are eligible for release to assist them in receiving job related training.

- **Public Service Loan Forgiveness (PSLF)**

The proposed budget recommends changes to the Public Service Loan Forgiveness (PSLF) program, whereby after 120 qualifying monthly payments, the balance of direct loans can be forgiven (tax-free). The President proposes capping the forgiveness at \$57,500, well below the amount that can now be forgiven. The proposal would also disallow payments made under any repayment plan not based on income as a qualifying payment for PSLF. ADEA will continue to work with our health professions partners to protect the ability of dental and other students in the health professions to finance and to satisfy educational costs.

Other Items of Interest

- **Addressing the Prescription Drug and Heroin Overdose Epidemic**

President Obama announced earlier this month that his FY17 budget would include \$1.1 billion for evidence-based prevention programs, prescription drug monitoring; prescription drug take-back events, medication-assisted treatment and the overdose reversal drug naloxone; his budget proposes funding for those initiatives. The funds to be distributed as follows:

- \$920 million to support cooperative agreements with states to expand access to medication-assisted treatment. The funds will be distributed based upon the severity of the epidemic and upon the soundness of the outlined strategy to respond.
- \$50 million for the National Health Service Corps to provide additional health professionals for substance use disorder treatment services in regions of behavioral health shortage areas.
- \$30 million to evaluate the effectiveness of medication-assisted treatment programs under real-world conditions.

The President intends that funding for the above initiatives will be provided over two years through mandatory funding. Logistically, this will be problematic in Congress because any funding would require new authorizing legislation that would be difficult to pass, because of the general political climate, and because it creates new mandatory spending.

Next Steps

The Appropriations Committees of the House of Representatives and the Senate have begun their hearings, and the pace will accelerate in the coming weeks.

ADEA will update everyone as the budget and appropriations process proceeds. If you require additional information, please do not hesitate to let us know. Contact Yvonne Knight, J.D., ADEA Chief Advocacy Officer at KnightY@adea.org.