



February 5, 2015

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 Senior Vice President for Advocacy and Governmental Relations

RE: President Obama’s Fiscal Year 2016 Budget Proposal

President Obama released his budget [proposal](#) for fiscal year (FY) 2016 on February 2, 2015. The President proposes to replace the automatic budget cuts known as the sequester with other revenue and spending proposals that require legislative action by Congress beyond simply passing appropriations bills.

It should be noted that this is just the first step in a process that will culminate, hopefully, in a final budget being enacted prior to the beginning of the fiscal year on October 1, 2015. The following charts provide prior and the President’s proposed funding levels for items of interest to academic dentistry and dental and craniofacial research.

Department of Health and Human Services

The President’s budget request for fiscal year 2016 includes \$1,092,992,000 for the Department of Health and Human Services; of this amount, \$83.8 billion is in discretionary funds, representing a \$4.8 billion increase over the current fiscal year. This is where the programs of most interest reside.

Oral Health Training—Title VII Programs

Program	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 President’s Request
Oral Health Training	\$32,008,000	\$33,928,000	\$33,928,000

In the current fiscal year 2015, at the request of the dental community, Congress included set asides within this appropriation an amount for General Dentistry residencies (\$9 million) and for Pediatric Dentistry residencies (\$10 million). We had requested \$10 million each, but Congress approved the amounts above. We will requesting equal set-asides again in FY 2016.

Area Health Education Centers

Program	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 President's Request
AHECs	\$ 30,326,000	\$30,250,000	\$ 0

The President made no request for the AHEC program in FY 2016. The Congressional budget submission states that the "budget reflects the prioritization of funding of programs that directly increase the number of primary care providers" and that grantees may be able to find support elsewhere.

National Institute of Dental and Craniofacial Research

Program	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 President's Request
NIDCR	\$397,102,000	\$399,886,000	\$409,000,000

The President requests a \$10 million increase for the NIDCR for fiscal year 2016. For the NIH overall, the President is requesting a \$1 billion increase. Areas of research focus include hard and soft tissue development and regeneration/repair salivary gland physiology in health and disease head and neck cancers, and chronic orofacial pain. In FY 16, NIDCR will launch an initiative to explore the advantages of developing an HIV vaccine administered directly into oral tissues.

Health Career Opportunity Program

Program	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 President's Request
HCOP	\$ 14,189,000	\$14,189,000	\$0
Health Workforce Diversity Program	\$0	\$0	\$14,000,000

The budget proposes rebranding the pipeline program under its "Health Professions Training for Diversity" program into a new Health Workforce Diversity Program (HWDP). During FY 2015, HRSA plans to refocus the program to have a more direct impact on expanding the primary care

workforce. To accomplish that goal it will focus on a shorter educational pipeline beginning in the latter years of high school.

The changes to the program would include providing stipends and/or scholarships that can be used for tuition; academic enrichment and support during education and training; academic instruction and support outside the normal education course of study specifically designed to prepare students for professional licensing and certification exams; job placement assistance in facilities serving underserved populations; establishing public-private partnerships to form cooperative educational opportunities in which disadvantaged students gain experience through working at health care employer during education and training; and finally to monitor individuals for up to two years post-job placement.

Ryan White Part F Dental Reimbursement

Program	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 President's Request
Ryan White	\$ 13,122,000	\$13,122,000	\$13,122,000

The FY 2016 President's budget requests flat funding for the dental reimbursement program under Ryan White Part F.

National Health Service Corps

Program	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 President's Request
NHSC			
<i>Mandatory</i>	\$283,040,000	\$287,370,000	\$522,630,000
<i>Discretionary</i>	---	---	\$287,370,000

The funding provided in the ACA expires at the end of FY 2015. The President's budget requests level funding at the FY 15 "base" amount from discretionary funds and proposes a five-year \$1.5 billion new authorization for the NHSC.

Department of Education

The President's budget for the Department of Education (ED) includes a total of \$70.7 billion for FY 2016, an increase of \$3.6 billion over the current year. Of this amount, \$2.1 billion is directed toward higher education programs, an increase of \$147 million over FY 2015. Below is a brief outline of new initiatives and continuing programs of interest in higher education.

America's College Promise

Program	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 President's Request
America's College Promise	\$0	\$0	\$1,364,842,000

This is the President's program to make community college free for "responsible students." It would provide grants to states to accomplish its goals and requires authorizing legislation to implement. His proposed legislation would make funding a mandatory program and be funded at \$60.3 billion over the next decade. You can read more about the President's community college proposal [here](#).

College Opportunity and Graduation Bonus

Program	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 President's Request
College Opportunity & Graduation Bonus	\$0	\$0	\$647,000,000

This new proposed program, which also requires new legislation, will reward colleges that enroll and graduate on time a significant number of low and moderate-income students. Institutions may receive a grant that will support innovation, interventions, and reforms to further increase college access and success based upon the number of Pell Grant recipients they graduate on time.

Pell Grants

Program	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 President's Request
Pell Grants	\$24,486,210,000	\$24,198,210,000	\$24,198,210,000

The budget assumes 17.5 million applicants in the 2016-2017 school year, an increase of 2% after declining in recent years. The maximum Pell award for the 2015-2016 award year is \$5,775; the amount for 2016-2017 will rise with inflation.

Other Proposals of Interest

The President's budget includes a proposal to expand the **Pay As You Earn (PAYE)** program to all Direct Loan borrowers regardless of when they borrowed. As part of this proposal, the

President also proposes to eliminate the current repayment cap (set at the standard 10-year repayment schedule level) and require that “high-income, high balance borrowers pay an equitable share of their earnings as their income rises.” In addition, the President proposes that the repayment period for those with balances above \$57,500 be extended to 25 years before loan forgiveness, and exempts from taxation the amount that is forgiven. Under current law, the payment period to forgiveness is 20 years, but the amount forgiven is treated as ordinary income. Finally, the amount of interest that can accrue is capped when the borrower’s monthly payment is insufficient to cover the interest, to avoid ballooning loan balances. This is not currently the case.

The proposed budget recommends changes to the **Public Sector 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 could now be forgiven. The proposal would also disallow payments made under any repayment plan not based on income ineligible as a qualifying payment. This latter change would drive borrowers into the PAYE program.

The President’s budget also proposes consolidating certain **education tax benefits** into the American Opportunity Tax Credit, which is limited to the first 5 years of higher education. There is an interactive budget proposal on the White House website that can be viewed [here](#).

For those interested in how the President’s budget proposal might affect the **National Institutes of Health (NIH)** and ultimately the **National Institute of Dental and Craniofacial Research (NIDCR)**, we have taken the liberty of attaching the “NIH’s Director’s Presentation on NIH’s 2016 Budget Request,” you can find that document [here](#).

Next Steps

It should be noted that each of the above items require legislative action by Congress before taking effect. Statutorily, the appropriations process for each fiscal year is scheduled to be completed by September 30 but the deadline is rarely met. Therefore, legislative action is always uncertain.

ADEA will monitor Congressional and Executive activities concerning these and any other proposals that might affect funding of programs of interest to academic dentistry and dental and craniofacial research and provide updates.

If you should require additional information, please do not hesitate to let us know, please contact Yvonne Knight, J.D., ADEA Senior Vice President for Advocacy and Governmental Relations, at KnightY@adea.org.