

March 26, 2019

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
 Tim Leeth, ADEA Chief Advocacy Officer

RE: President’s Fiscal Year 2020 Budget Proposal

The President delivered his proposed FY 2020 (FY20) budget to Congress in two pieces—on March 11 he sent the broad framework to Capitol Hill, and on March 18 he forwarded the detailed program-by-program details.

The President’s proposed overall budget in FY20 for the Federal government totals \$4.75 trillion and has a deficit of \$1.1 trillion. Only the Departments of Defense, Homeland Security, Veterans’ Affairs, and Commerce (because of increased needs for the 2020 census) received increases; all other departments and agencies were reduced, including the Departments of Health and Human Services (HHS) and Education with 12% cuts each.

The funding for programs important to dental education for FY20 are summarized below.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The President’s budget request for FY20 includes \$1.2 trillion in budget authority for HHS; of this amount, \$95.4 billion is discretionary funds, or 8% of the total HHS budget. The programs of importance to dental education are contained in that 8% of the Department’s budget.

Health Services and Resources Administration:

Oral Health Training Programs

Priority Program	FY19 Appropriation	FY20 Dental Community Request	FY20 President’s Request
Oral Health Training	\$40,673,000	\$42,673,000	\$0
Pediatric Dental Residencies	(\$12,000,000)	(\$12,000,000)	(\$0)

Priority Program	FY19 Appropriation	FY20 Dental Community Request	FY20 President's Request
General Dentistry Residencies	(\$12,000,000)	(\$12,000,000)	(\$0)
Dental Faculty Loan Repayment	(\$2,000,000)	(\$2,000,000)	(\$0)

Numbers in parentheses indicate set asides within the overall total and are not added to the total.

The President's request for FY20 for **Oral Health Training programs** that fund predoctoral and advanced dental education programs is \$0. The President has made this same request for the past two fiscal years, and Congress has continued funding these programs despite his request. ADEA expects that Congress will continue its support. Dentistry was not singled out for cuts; funding for other Title VII programs of the Public Service Health Act for medical primary care training and Title VIII nursing programs received the same treatment.

Other important programs for which the President made no request for funding include:

- Area Health Education Centers (AHEC).
- Health Careers Opportunity Program (HCOP).
- Children's Hospital Graduate Medical Education (CHGME).

Again, the President has made same proposal in previous years, but Congress has chosen to fund them.

Ryan White HIV/AIDS Program

Priority Program	FY19 Appropriation	FY20 Dental Community Request	FY20 President's Request
Part F Dental Reimbursement Program	\$13,122,000	\$18,000,000	\$13,122,000

The President's budget makes no reductions in the Ryan White HIV/AIDS program, including the Part F the Dental Reimbursement Program. This funding level has not changed over the past several years. ADEA, and our dental partners, have requested an increase and provided Congressional appropriations committees with data to demonstrate that this amount is increasingly inadequate to meet the need.

National Institutes of Health:

Priority Program	FY19 Appropriation	FY20 Dental Community Request	FY20 President's Request
NIH	\$39,306,000,000	\$41,600,000,000	\$34,368,000,000

The President's request for the National Institutes of Health (NIH) proposes a decrease in its funding level by \$4.9 billion to \$34.4 billion in FY20. In recent years, Congress has increased the NIH budget by approximately \$2 billion per year above the previous year's funding level.

Rep. Tom Cole, Ph.D. (R-OK), the Ranking Member of the House Appropriations Subcommittee on Labor-HHS, told HHS Secretary Alex Azar at a March 13 hearing that the requested cut sent the wrong message to young scientists, and that it was a "risky mistake," concluding that the White House is on its own in proposing the cut. He stated that he expects bipartisan support to reject the proposed cut and increase NIH funding again.

National Institute of Dental and Craniofacial Research

Priority Program	FY19 Appropriation	FY20 Dental Community Request	FY20 President's Request
NIDCR	\$461,781,000	\$492,000,000	\$397,000,000

The President's request for the National Institute of Dental and Craniofacial Research (NIDCR) is \$64 million below the current year appropriation. If the President's request were enacted, NIDCR estimates that competitive Research Project Grants (RPG) would decline nearly 40%, or 82 grants (from an estimated 223 in 2019), accounting for a \$33.3 million reduction of support to dental researchers. In addition, investments in ongoing research would be reduced across the spectrum of basic, translational, and clinical research, and Early Stage Investigators support would be reduced.

Moreover, research into the unmet and clinical needs in tissue regeneration would be cut by 10% in the Dental, Oral and Craniofacial Tissue Regeneration Consortium (DOCTRC) Resource Centers; and research training would also be cut by 10%. ADEA expects that NIDCR will see an increase in funding if overall NIH funding is increased.

Centers for Disease Control and Prevention:

Division of Oral Health

Priority Program	FY19 Appropriation	FY20 Dental Community Request	FY20 President's Request
Division of Oral Health	\$19,000,000	\$25,000,000	\$17,000,000

The President's budget requests funding for the Division of Oral Health at the Centers for Disease Control and Prevention (CDC) of \$17 million in FY20, \$2 million below its current level. The President's funding request is proposed to be derived from the Prevention and Public Health Fund (PPHF). The PPHF is authorized by the Affordable Care Act and provides approximately \$900 million annually in grants to states for health promotion and disease prevention programs. Each year, a legislative battle has occurred over how these funds are to be allocated. Democrats will view this request, and other transfers proposed in the President's budget, as a diversion of funds from their intended purpose.

CDC Oral Health funds are a major source of funding for states to fund sealant programs in schools. The increase requested by our dental partners is intended to fund activities authorized by the recently enacted Action for Dental Health Act. This new law authorizes grants to be awarded to state, county or local public officials and other stakeholders to develop and

implement initiatives to (1) improve oral health education and dental disease prevention; (2) reduce geographic barriers, language barriers, cultural barriers and other similar barriers in the provision of dental services; (3) establish dental homes for children and adults; (4) reduce the use of emergency departments by individuals who seek dental services more appropriately delivered in a dental primary care setting; or (5) facilitate the provision of dental care to nursing home residents. Eligible grantees to carry out such programs include dental schools and state dental societies.

Other HHS Items of Interest:

Graduate Medical Education Reform

The budget proposes the same \$126 million for the Teaching Health Center Graduate Medical Education program in FY20 as was appropriated in FY19. However, it notes that legislation will be proposed to make changes to the program. The details of those legislative changes are not yet available, and when they are we will report further.

The President's budget proposes eliminating the Children's Hospital Graduate Medical Education program (CHGME). CHGME received an appropriation of \$325 million in FY19.

Medicaid

The President's budget states that the Administration will propose legislation to establish a per-capita cap or block grant program, institute a work requirement, and implement other cost savings to reduce Medicaid spending by \$1.5 trillion over 10 years (\$9.2 billion in FY20).

DEPARTMENT OF EDUCATION

Funding for the Department of Education includes \$64.0 billion in new discretionary Budget Authority; a \$7.1 billion, or 10%, decrease below the fiscal year 2019 appropriation. It provides \$131.0 billion in new postsecondary grants, loans and work-study assistance to help an estimated 12 million students and their families pay for college. It eliminates funding for 29 programs "that do not address national needs, duplicate other programs, are ineffective, or are more appropriately supported with State, local, or private funds." Only one of these programs is in higher education, the Graduate Assistance in Areas of National Need, which provides fellowships to graduate students with superior ability and high financial need studying in areas of high national need.

The budget and expected legislative proposals closely follow many of the provisions contained in the Republican proposed Higher Education Act reauthorization from the last Congress, including expanding **Pell Grants** to postsecondary programs that provide students with credentials, certifications or licenses rather than academic degrees.

The President proposes to simplify **student loan repayment** by consolidating income-driven repayment plans into a single plan that would set the monthly payment at 12.5% of the borrower's "discretionary income." The budget proposes a legislative change that will forgive any remaining balance of undergraduate debt after 180 monthly payments (15 years). For graduates with educational debt, any balance would be forgiven after 360 monthly payments

(30 years). The Public Service Loan Forgiveness program, which forgives the balance after 120 monthly payments (10 years), would be eliminated.

The budget also proposes a change in the law that would require post-secondary institutions accepting student financial assistance funds to share in the risk of the student defaulting. How that would be implemented is not spelled out, other than to state that the Administration will work with Congress to address the matter.

These proposals will be part of Congressional consideration of the reauthorization of the Higher Education Act. ADEA will keep you informed of the various other proposals and timing of possible legislative action.

Next Steps:

The Congress must adopt a Congressional Budget Resolution, which sets the overall revenue, spending and deficit or surplus that derives from those. Once the Budget Resolution is adopted (it is binding only on the House and Senate and therefore does not require the President's signature), the Appropriations Committees will begin marking up the 12 annual appropriations bills that fund the government. Rumor has it that the Labor-HHS Subcommittee bill could be considered as early as late April. We will keep you apprised of developments as they occur.

If you require additional information, please do not hesitate to let us know. Contact B. Timothy Leeth CPA, ADEA Chief Advocacy Officer at leetht@adea.org or at 202-289-8172.