



IN THIS ISSUE – April 28, 2006: <http://opa.faseb.org>

- [House FY2007 Budget Resolution](#)
- [House FY2007 Appropriations Schedule](#)
- [INSIDE \(the Beltway\) SCOOP](#)
- [Budget Information from AAAS Forum on Science and Technology Policy](#)
- [Upcoming Hearings – \(NIH\) Senate L/HHS Appropriations Overview Hearing](#)
- [Congressional Schedule](#)

HOUSE FY2007 BUDGET RESOLUTION

The House is expected to again attempt to pass its fiscal year (FY) 2007 budget resolution the week of May 1st, but deep divisions still exist between appropriators, fiscal conservatives and moderate Republicans. Negotiations are ongoing over earmark rules, emergency spending restrictions and the level of spending on domestic programs.

Representative Mike Castle (R-DE) continues to lead a group of moderate Republicans in calling for an additional \$7 billion for important health and education programs, including NIH. However, the Republican Study Committee, a group made up of 104 House Members who refer to themselves as “the Caucus of House Conservatives,” continue to insist that Republican voters want to see signs of fiscal discipline and thus, are advocating that the House holds the line on spending in the FY2007 appropriations bills.

[Back to top](#)

HOUSE FY2007 APPROPRIATIONS SCHEDULE

Even if the House does not pass a budget, House Appropriations Chairman Jerry Lewis (R-CA) has stated that he plans to restrict discretionary spending and abide by the President’s proposal to cap discretionary spending at \$873 billion in FY2007.

Chairman Lewis has submitted a tentative schedule that calls for all appropriations bills to be passed by the House by the July 4th recess. The L/HHS bill, which provides funding for NIH, is scheduled to be marked-up in subcommittee the week of June 5th, with full committee mark-up the following week, and floor action occurring the week of June 19th.

[Back to top](#)

INSIDE (The Beltway) SCOOP – Jon Retzlaff, Legislative Director

Congress returned on Tuesday from its two-week district work period break to face numerous unresolved issues including, an FY2007 budget resolution, an emergency supplemental bill, a tax cut reconciliation bill, and immigration reform legislation. Congress hopes to complete action on these issues before it breaks for the Memorial Day recess.

Therefore, these next five weeks (which is the longest time period in which Congress will remain in session without a break) will provide the research community with a preview of what to expect during debate on the FY2007 appropriations bills. For example, the President has strongly indicated that he plans to reduce spending in FY2007, and showed just how serious he is by sending an unusually blunt message to Senate leaders demanding that they eliminate \$12 billion from their supplemental (emergency) spending bill in order to bring it in line with what the President proposed and the bill passed by the House.

In its supplemental spending bill, the Senate has added spending for avian flu, farm aid, border security, veteran's health, and other projects. The fact that the President has threatened to veto the Senate bill if it's not reduced coupled with yesterday's letter signed by 35 Republican Senators (one more than needed to sustain a veto) vowing to support the veto threat if the bill exceeds \$94.5 billion, indicates a strong willingness and interest to cut back on spending in FY2007.

If the President and these 35 Republican Senators hold their ground during the supplemental appropriations debate, it will solidify that we are in for a difficult summer and fall. If Congress adheres to the President's \$873 billion cap for total discretionary spending, it will severely complicate efforts to provide NIH with a significant increase in FY2007.

[Back to top](#)

BUDGET INFORMATION FROM AAAS FORUM ON SCIENCE AND TECHNOLOGY POLICY

During an April 20th session on "Budgetary and Policy Context for R&D in FY 2007," panelists Kei Koizumi, Director, R&D Budget and Policy Program, AAAS; Bill Hoagland, Director, Budget and Appropriations, Office of the Senate Majority Leader, United States Senate; and Douglas Holtz-Eakins, Director, Maurice R. Greenberg Center for Goeconomic Studies, Council on Foreign Relations; and former Director, Congressional Budget Office discussed the current Federal budget and its effect on the numerous agencies (NIH, NSF, DOE, NIST, etc.) that fund science. A summary of their comments and observations is included.

Kei Koizumi ([slides](#)) pointed out that scientific agencies are facing numerous challenges and obstacles due to the following:

- 1) The U.S. budget deficit is at record levels;**
- 2) Non-defense, non-homeland security discretionary spending is bearing the brunt of the burden of deficit reduction proposals;**
- 3) Only one-third of government spending is directed toward discretionary programs, while the remaining two-thirds that is directed toward mandatory programs is increasing at rates far above inflation.**

Mr. Koizumi stated that NIH's budget has declined in real terms (since 2002, when the doubling of its budget was completed), and predicted that this will continue through 2011 based on future projections. He said that previous projections have been remarkably accurate because Congress has been in step with the Administration's proposals.

Mr. Koizumi also explained that while federal government spending for research and development (R&D) is at record levels, it is because of increased support for the developmental part of the equation (specifically, development of weapons and space craft). The research part of the equation has declined during the past few years.

Bill Hoagland ([click for slides](#)) provided a congressional perspective on the FY2007 budget. He believes Members of Congress will be returning after the November elections to complete action on the FY2007 appropriations bills due to the tremendous amount of disagreement among the numerous factions within Congress. He said that conservative Republicans believe they must demonstrate fiscal restraint and eliminate ineffective programs to energize their base for the upcoming elections. However, moderates in both the Senate and House are calling for increased spending for discretionary programs.

Mr. Hoagland expressed concern that the tax bill (currently in conference) and supplemental appropriations bill will result in the deficit climbing to \$400 billion. This occurrence (as well as the continued growth in entitlement spending) places tremendous pressure on the discretionary spending programs, including the R&D budgets.

Douglas Holtz-Eakins expressed concern with the large and growing structural deficits in the United States, and the increased expenditures that will be required to fund Social Security, Medicare, and Medicaid. He advocates restructuring existing entitlement programs and expressed concern that America's ability to compete will be affected if nothing is done. He pointed out that Social Security consumes 4.5% of our GDP today, but will consume 6.5% by 2030. He also stated that today Medicare consumes a little less than 4.5 % of GDP, but that it will consume more than 20% of GDP by 2050. He said that spending per person on Medicare is growing at 2.5% higher than our incomes.

[Back to top](#)

UPCOMING HEARINGS

May 19

Senate Appropriations NIH Overview Hearing

The Senate Appropriations Subcommittee on Labor, HHS, Education (Senator Arlen Specter [R-PA], Chairman) will hold its overview of the FY2007 President's Budget for NIH. Dr. Elias Zerhouni, Director, NIH, will testify.

[Back to top](#)

CONGRESSIONAL SCHEDULE

The Senate and House are in session.

[Back to top](#)

FASEB's Washington Update is brought to you bi-monthly by the FASEB Office of Public Affairs. We welcome your questions and comments – please contact Gary Kline, Legislative Analyst at gkline@faseb.org or (202) 543-1155. For more information about how to get involved in research advocacy, visit: <http://capwiz.com/faseb/home/>