

Trump Administration FY 18 Budget Request

Q.: Congressional leadership—from both sides of the aisle—keep repeating that the President’s budget request is “dead on arrival.” They are saying “the President proposes and the Congress disposes,” as if the President’s request doesn’t matter. Is that true?

A.: It is probably safe to say that the budget request, *taken as a whole*, is DOA. However, agency by agency, program by program, line item by line item, the President’s request is very much alive and likely to be at the center of funding debates. FDA will not be an exception to this. Beyond specific programs, the President’s request has also raised a number of more global issues that Congress will have to address. For example: should billions of dollars within the federal budget be shifted from non-defense programs to defense programs and homeland security? And: can any such shift, however small, occur without Congress amending the Budget Control Act of 2011, which would certainly be contentious?

Q.: How does the Budget Control Act of 2011 affect the FY 18 appropriations cycle?

A.: BCA/2011 set separate ceilings for defense and non-defense spending for every year through the mid-2020’s. If the ceilings are going to be exceeded in any year, then a process called sequestration is triggered automatically and applied to each category separately. Sequestration is an across-the-board percentage cut equal to the amount of monies necessary to bring the category under its ceiling. Sequestration is particularly bad for FDA, since it cuts all non-defense programs equally, without regard to which ones (like FDA) might be more of a national priority.

Further, a few years ago, Congress passed an agreement to increase the ceilings in FY 16 and FY 17 only, with the original law kicking back into place in FY 18. The FY 18 ceiling for non-defense programs is lower than the actual spending level in FY 17. Thus, Congress will need to cut non-defense spending by several billion dollars, independent of the President’s request or other considerations. Whether Congress reduces spending or permits a sequester, the net result is to place FDA funding at risk.

Q.: Given BCA-spending ceilings and the dramatic shifts proposed in the President’s request, how does Congress manage to sort this out and pass spending bills?

A.: At this point, no one can be certain what will happen. However, we can say what is supposed to happen. The House and Senate budget committees should be developing a budget for the coming fiscal year. In the best case scenario, identical budget resolutions are adopted by the House and Senate and the appropriations committees in each house are given the same guidance.

Based on what is developed by the budget committees, the appropriations committees should know how much they can spend without exceeding the budget caps. They then allocate a portion of those dollars to each of the 12 subcommittees. This assignment of funds is called the 302(b) process, which references the section number that directs this process. Once the subcommittees know how much they have to spend, they can proceed to mark up spending bills. The size of the 302(b) allocation to the Ag/FDA appropriation subcommittee is of paramount concern to us—the lower it is, the more likely that FDA will face cuts.

The Analysis and Commentary Written by Steven Grossman, Deputy Executive Director of the Alliance for a Stronger FDA