BUDGET AND PROGRAM

Washington, April 5, 2024

<u>Are you getting ready</u>...for your "Evidence Spring Briefing" with OMB?

<u>Represents the second year of this requirement</u>, as explained in the August, 2023 update of OMB Circular A-11 - "Submission, Preparation and Execution of the Budget."

<u>Its anchor</u>...is the Evidence Act of 2018 - which required development of processes that would establish routine reliance on evidence across agency functions.

<u>Above all</u>...its quest was/is to "generate useful information" to further agency operations. And it is expected to be used as such - to absolutely inform budget submissions across various fronts.

<u>OMB emphasized</u>...this is not merely a "compliance exercise."

<u>Tied to this</u>...are submission requirements concerning the "learning agenda" - a multi-year evidence building plan.

<u>Development of it includes reviewing available evidence</u> - drawing from four broad areas - 1) foundational fact-finding; 2) policy analysis; 3) program evaluation; and 4) performance measurement. The data gleaned is to inform a list of priority questions - relevant to the agency - and the refinement of them based on the evidence unearthed by the above process.

<u>Some examples of these questions are</u>:
- Did the program meet its pre-established goal?
- Are program activities being effectively performed?
- What characteristics are related to a particular outcome?

<u>When answered</u>...they can "inform consequential decisions" while "limiting ad-hoc analytic efforts."

<u>Your annual evaluation plans</u>...are tied to this. They describe the "significant" assessment activities (systematic data collection & analysis of programs/polices) that are scheduled to be conducted in the upcoming fiscal year.

<u>Within this mix</u>...agency evaluation officers are responsible for advising on this process.

<u>There is also an Evaluation Officer Council within OMB</u>...a team of senior-level subject matter experts.

<u>The upcoming Spring briefing</u> - no later than May 15, will involve them. To also include OMB program examiners, the Evidence Team members directly overseeing the Act and OMB staff responsible for related functions concerning performance.

<u>For agencies</u>...evaluation officers are encouraged to include relevant staff from their operating divisions to allow for "deeper discussion" of specifics.

<u>Purpose of the briefing</u>...is to "provide a focused opportunity for OMB and agencies to discuss progress and findings" - how it is being used for strategic planning and otherwise. Updating your Learning Agenda to reflect shifting priorities is a mainstay of this overall effort - you may want to emphasize it.

<u>For more on the rundown</u>...Circular A-11, section 290.

FY 2024 Labor-HHS-Education appropriation bill...is broken out on the next page, (in $ millions).

It's on a colossal scale...at $1.41 trillion, (flat with last year).

By end of this month - (and quarterly thereafter) - each department/agency under this bill is to provide the Appropriation Committees with a summary... describing each requested report to the Committees along with related actions completed in the current and prior quarters and planned actions to be completed in the future. This summary is to be cumulative for all years for which any report is still outstanding.

This directive...is placed at the beginning of the 269-page conference report ...it's being highly emphasized.

Dept of Labor...eases to $14.98B (-$116M).

House full committee...sought a discretionary cut of nearly 30%, representing "a clear step toward returning to fiscal responsibility."

Within 180 days...the department is to report on steps being taken to recover money that is being lost to fraudulent payments and the measures being taken to bolster program integrity as specifically recommended by GAO.

HHS...eases to $1.27T (-$10B).

Within it...Health Resources and Services Admin falls $572M to $9.2B. This compares to the House committee recommendation of $7.5B. Panel directs HRSA to provide real-time data into the physician supply pipeline and how it matches up against workforce projections and to identify "capability gaps" that exist.

NIH...is provided $48.6B in base discretionary funding (-$378M under last yr).

A number of the institutes & centers...stay level with FY 2023 amounts, a few others rise very slightly.

Notable exceptions...include those involving research for cancer (+$120M); aging/Alzheimer's (+$100M) and mental health (+$75M).

Administration for Strategic Preparedness & Response...stays level at $3.6B. This office prepares for the health consequences of bioterrorism among other public health emergencies. Members "urge" ASPR and DOD to coordinate effective counter-measures - to prevent, detect and respond - incl infectious diseases worldwide.

Advanced Research Projects Agency for Health...provided $1.5B.

What is this exactly?

The agency (which has 14 offices) sprung from FY 2022 appropriations - and is funded thru FY 2024. Its purpose over three years is to "drive transformational health research innovation and speed medical breakthroughs."

HHS...was given "considerable flexibility to design and structure the new agency." Of note, "ARPA" designs (think DARPA and ARPA-Energy) are organizationally structured to be "flat and nimble, staffed by tenure-limited program managers with a high degree of autonomy to select and fund research projects."

In contrast...NIH "relies predominantly on the scientific peer review process to award most of its funding." ARPA-H is "exempt" from such requirements.

Congress has considered bills that would codify ARPA-H and define its scope and authorities.

A notable backdrop...was the rapid development of Covid-19 vaccines based on novel technologies such as messenger RNA - "built partly upon investments by the Defense Advanced Research Projects Agency (DARPA)."

That has spurred interest...in the usefulness of "ARPA" models for biomedical research.

At one level...it focuses on developing technology rather than specific diseases - so as to have potential applications across a wide range of diseases.

<u>Departments of Labor-HHS-Education and Related Agencies Appropriations Act, FY 2024</u>
(in $ millions)

	Enacted FY 2023	Request FY 2024	Approved FY 2024
<u>Grand total</u>......................................	<u>1,414,885</u>	<u>1,440,095</u>	<u>1,413,993</u>
Title I - Department of Labor.....................	<u>15,092</u>	<u>16,786</u>	<u>14,976</u>
Title II - Dept of Health and Human Services......	1,245,912	1,278,340	1,268,563
Health Resources and Services Administration	<u>9,744</u>	<u>9,466</u>	<u>9,172</u>
Ctrs for Disease Control & Prevention - prog level	<u>9,218</u>	<u>11,636</u>	<u>9,222</u>
National Institutes of Health - base funding...	<u>48,959</u>	<u>50,770</u>	<u>48,581</u>
National Cancer Institute	7,104	7,820	7,224
National Heart, Lung & Blood Institute	3,982	3,985	3,982
Nat'l Institute of Dental & Craniofacial Research	520	520	520
Nat'l Institute of Diabetes & Digestive Diseases	2,301	2,303	2,311
Nat'l Insti of Neurological Disorders & Stroke	2,589	2,739	2,604
Nat'l Institute Allergy & Infectious Diseases	6,562	6,562	6,562
Nat'l Institute of General Medical Sciences	1,827	1,292	1,832
Evaluation tap funding	(1,412)	(1,948)	(1,412)
Nat'l Insti of Child Health & Human Development	1,749	1,748	1,759
National Eye Institute	897	896	897
Nat'l Institute of Environmental Health Sciences	914	939	914
National Institute on Aging	4,408	4,412	4,508
Nat'l Insti of Arthritis & Musculoskeletal Diseases	685	688	685
National Institute on Deafness	534	534	534
National Institute of Nursing Research	198	198	198
Nat'l Institute on Alcohol Abuse & Alcoholism	595	597	595
National Institute on Drug Abuse	1,663	1,663	1,663
National Institute on Mental Health	2,113	2,456	2,188
National Human Genome Research Institute	663	661	663
Nat'l Insti for Biomedical Imaging & Bioengineering	441	441	441
Nat'l Center for Complementary & Alternative Medicine	170	170	170
Nat'l Insti on Minority Health & Health Disparities	524	525	534
John E. Fogarty Internat'l Center	95	95	95
Nat'l Center for Advancing Translation Sciences	923	923	928
National Library of Medicine	498	495	498
Office of the Director	2,656	2,903	2,606
NIH innovation account; Cures Act	(1,085)	(407)	(407)
Advance Rsch Projects Agency for Health (ARPA-H)	1,500	2,500	1,500
Buildings and facilities	350	350	350
Substance Abuse & Mental Health Svcs Adm (SAMHSA)	7,516	10,420	7,446
Centers for Medicare and Medicaid Services.......	1,118,085	1,134,749	1,134,302
Administration for Children and Families.........	47,688	55,363	52,748
Administration for Community Living..............	2,565	3,055	2,548
Admin for Strategic Preparedness & Response.....	3,630	4,272	3,635
Office of the Secretary - program level	1,839	2,293	1,896
Title III - Department of Education..................	<u>83,543</u>	<u>94,260</u>	<u>83,306</u>
Title IV - Related Agencies..........................	<u>76,681</u>	<u>81,169</u>	<u>79,548</u>
Corp for Nat'l & Community Service	1,313	1,479	1,263
Corp for Public Broadcasting	475	525	595
Federal Mediation and Conciliation Service	54	56	54
Institute of Museum & Library Services	295	295	295
Nat'l Labor Relations Board	299	376	299
Railroad Retirement Board	150	160	147
Social Security Administration	73,887	78,075	76,807
Other commissions and services	208	203	158
<u>Changes in mandatory programs</u> - (CHIMPS)	<u>-14,676</u>	<u>-29,900</u>	<u>-28,737</u>
<u>Other appropriations</u>...............................	<u>9,434</u>	0	0

It's budget hearing season...on Capitol Hill.

You may be involved...with both the authorizing and appropriating panels. Some departments have programs split between various committees...key people can appear before a number of groups.

What is the best way to approach this - if you are scheduled to testify or back-up/assist someone who is?

National security...is an ongoing top theme - an urgency grips it. If your work involves this area, be aware that the ground continues to shift - new ideas/approaches are being sought - initiatives that would not normally see the light of day before along with accompanying funding levels - might find a listener.

On a wider note...no matter what agency you are under, the rationale backing your budget estimate needs to weave thru your testimony...flesh out the ramifications of why it is important - essential. Don't assume that it is understood as such, make the case.

In the overall...the job is essentially selling. Some long-term pros on the Hill suggest that it is useful to know the backgrounds of committee members. You may be able to anticipate objections - turn things around.

A few other tips:

 - Generally speaking...all major issues revolve around money. Budget drives all debate. Efficiencies are important to highlight in this context.

 - Working with the legislative affairs people...can be a good idea, they help give you a feel for the mood.

 - Regarding demeanor, stay calm. Be prepared to answer questions repeatedly.

 - Absolutely be familiar with last year's committee/conference report.

 - Providing information for the record. It's ok but sometimes a verbal approximation is better than submitting data later. This is a subtle matter, which you should watch as you go along. Too many deferrals may cause a bad reaction.

 - Very important...that you know of any audits or inspector general reports affecting your program. These are all available to Congress...including those prepared internally. Some Hill staffers have made successful careers out of analyzing IG reports and having them brought up at hearings. You want to be ready.

Summarizing everything...the one rule emphasized constantly by agency partici-pants who have been there: preparation, preparation, preparation. Never under-estimate its importance.

And remember...in this pressure cooker where professional bureaucrats go up against politicians in the legislative branch...there is no substitute for self-confidence, knowledge, experience...and the ability to articulate.

For the first time...President Biden has demanded an immediate cease fire in the Gaza Strip - after Israel mistakenly killed seven workers from the World Central Kitchen via airstrikes on their vehicles.

The demand...was made during a tension-filled 30-minute call with the prime minister and "made clear" that U.S. policy will be determined by immediate action that was discussed, according to the White House.

National security council spokesman, John Kirby...said the President was "shaken" by the event.

However...he would not say if the United States was considering placing conditions on military aid.

By far...this represents the most public rupture with Israel in decades.

Moreover...it could complicate House passage of the $95B Ukraine/Israel/Taiwan military aid package - if assistance to Israel requires certain preconditions.