

President Bush Releases Proposed Fiscal Year 2007 Budget Several surveys threatened—Funding Proposal a Mixed Bag

On Monday, February 6, President Bush released the Administration's proposed budget for Fiscal Year 2007. This action marks the first step in the annual appropriations process. His budget challenges Congress to cut Medicare and domestic discretionary programs in an election year while boosting funding for defense, homeland security and the wars in Iraq and Afghanistan.

The \$2.77 trillion fiscal 2007 budget proposal would cut non-defense discretionary spending for the second straight year, with more than a dozen departments and agencies targeted for reductions, including education, health, housing, transportation and agriculture programs. His budget assumes cutting mandatory spending for entitlement programs by \$65 billion over five years, including \$36 billion from Medicare.

For agencies important to the Population Association of America/Association of Population Centers, the proposed budget delivers mixed news.

- The **National Science Foundation** is biggest winner in the FY 07 submission, because it sets the agency on a potential ten-year budget-doubling trajectory. As part of the President's American Competitiveness Initiative, NSF is slated to receive a 7.9% increase over its FY 2006 funding level. According to NSF Director, Dr. Arden Bement, this funding will allow the agency to fund 500 additional research grants in FY 2007.

Of specific interest to our community is the Social, Behavioral, and Economic (SBE) Sciences budget at NSF. The budget request for SBE is \$213.76 million, a 6.9%, or \$13.85 million increase over FY2006 levels. Of this money, \$5.25 will go into funding existing programs, \$6.8 will go into the new study of Science Metrics, and \$1.75 million will go into the Innovation and Organizational Change program.

- The Administration has also proposed a generous increase for the **Census Bureau**. Specifically, President Bush recommends the agency receive an almost 10% increase in FY 07. According to Commerce Secretary Gutierrez, the increase will help "reengineer the collection of basis census data to meet constitutional and legal mandates in preparation for the 2010 Decennial Census, implement the American Community Survey to obtain detailed annual data, and modernize the Bureau's geographic database."

However, the agency's budget 2007 budget proposal does not contain sufficient funds to continue full funding of the **Survey of Income and Program Participation (SIPP)**. The agency has proposed close out funds for FY 07 and funds to begin planning a new data collection system on income, wealth, and program dynamics entitled, "Program of Income, Wealth, and

Health Insurance Measurement.” The Census Bureau will soon begin a series of consultations with other Federal agencies, researchers, and policy makers to develop this program.

- The **National Institutes of Health** is slated to receive no increase in FY 2007. This flat funding proposal translates into an actual cut for the agency since the rate of biomedical inflation index exceeds 3%. Both the National Institute on Aging (NIA) and the National Institute of Child Health and Human Development (NICHD), would receive approximately \$7 to \$8 million less in FY 2007 than they received in FY 2006.

The FY 2007 request assumes no increase in the average cost of a competing research project grant (RPG) over the FY 2006 appropriation. Further, no inflationary increases for direct, recurring costs in non-competing RPGs will be allowed. Center awards will not receive an inflationary increase.

Both NIA and NICHD expect to award fewer competing grants in FY 2007 as compared to FY 2006. At this time, both Institutes expect to make awards up the 10th percentile. NICHD is allowing its program staff to recommend funding for high priority projects that score between the 7th and 15th percentile. NICHD expects to cut awarded projects by 17% for those under \$200,000 and 22% for those over \$250,000. NIA will continue its policy of cutting awarded projects by an average of 18%.

The budget contains language proposing the termination of the National Children’s Study in FY 2007.

- While the overall Centers for Disease Control and Prevention is below last year’s request, the Administration has requested flat funding, \$109 million, for the **National Center for Health Statistics**. While the request would allow the agency to continue its continuity of operations, it would not permit any new initiatives in 2007.

Below is a table comparing the final FY 2006 appropriations with the President’s request.

Agency / Institute	(\$Millions)		% Difference
	FY 2006	FY 2007	
National Institutes of Health	\$28,587	\$28,587	0.0%
National Institute on Aging	\$1,047	\$1,040	-0.7%
National Institute of Child Health and Human Development	\$1,265	\$1,257	-0.6%
National Center for Health Statistics	\$109	\$109	0.0%
National Science Foundation	\$5,580	\$6,020	7.9%
Census Bureau	\$802	\$878	9.5%
USAID Child Survival/Maternal Health	\$360	\$360	0.0%