
MEMORANDUM

Overview

Following a 309-118 vote of approval Tuesday in the House of Representatives, the fiscal year 2017 Omnibus Appropriations bill passed the Senate today by a vote of 79-18. The package now heads to the desk of President Donald Trump, where he is expected to sign the bill and finalize the FY 2017 appropriations process.

The omnibus bill provides \$1.07 trillion in base discretionary funding, and will ensure the government stays in operation until the end of the 2017 fiscal year in September. Overall, the legislation reflects a bi-partisan and bi-cameral compromise between the House and Senate, with the overall contents of the package resembling the aforementioned bi-partisan compromise. While the legislation does provide \$15 billion in new military spending, it does not reflect President Trump's request to cut FY 17 non-defense spending by \$18 billion. It also does not include key priorities contained in his FY 17 budget amendment, proposal such as funding for the construction of a new border wall; there are no new restrictions on money going to so-called sanctuary cities that don't fully enforce federal immigration laws; Planned Parenthood is not defunded; and 99% of funding for the Environmental Protection Agency (EPA) is protected.

The full text of the legislation can be found [here](#).

Overall, the omnibus package is largely positive for many higher education priorities. The bill restores year-round Pell grants and increases funding for a variety of federal research agencies while almost entirely avoiding large cuts to education programs that were proposed by the Trump administration earlier in April. While it is important to remember that the President's FY 2018 Budget Request will include proposals for drastic cuts to federal research and education programs, these FY 2017 developments give higher education stakeholders reason for optimism moving forward.

Below are more in-depth summaries of some of the most significant higher education components of the omnibus.

Restoration of Year-round Pell Grants

The omnibus includes \$22.5 billion for Pell Grants, which along with accompanying mandatory funding allow the maximum grant award to increase to \$5,920, an increase of \$105 for the 2017-2018 school year.

Importantly, the omnibus also reinstates the use of year-round Pell grants, which provide one million students with an additional average Pell grant of \$1,650 to cover the cost of education during the summer. The restoration of year-round Pell is a major victory for higher education stakeholders, who have steadfastly worked to reinstate the program since its initial elimination as a cost-saving measure in 2011. In order to fund the restoration of year-round Pell, the bill rescinds \$1.31 billion in funding from the Pell surplus. Following this reduction, the overall surplus stands at \$6.2 billion.

Increases to Research Accounts

Despite the deep cuts for federal research programs proposed by in Trump administration's FY 2018 skinny budget, Congressional lawmakers provided strong support for research agencies in the FY 2017 omnibus.

National Institutes of Health (NIH)

NIH received an increase of \$2.0 billion over FY 16 enacted levels, which includes \$352 million in funding previously included in the 21st Century Cures Act, bringing the agency's total FY 2017 level to \$34.1 billion. This year's funding includes specific increases for Alzheimer's disease (\$400 million) and cancer research (\$475 million), along with other increases. This spending deal now marks the second year in a row that NIH has received a \$2 billion increase.

It is important to note that lawmakers rejected a potential \$1.2 billion FY 2017 reduction for NIH proposed by the Trump Administration in April. For FY 2018, the White House has proposed a \$5.8 billion reduction for the agency.

Advanced Research Projects Agency (ARPA-E)

Also included in the omnibus is \$306 million in funding for ARPA-E. This represents a \$15 million increase over the FY 2016 level. The agency has received significant attention in recent months due to the fact that President Trump's FY 18 skinny budget calls for its elimination.

The agency had temporarily frozen millions in grant money in the wake of its proposed elimination, but the bipartisan support for increasing the agencies budget should serve as

a signal to the administration that Congress is supportive of maintaining and even growing the agency's research work long-term.

Defense Research

The package provides \$73.7 billion in funding for the research and development of new defense technologies. This represents a \$3.7 billion increase over the FY 2016 funding level and \$1.9 billion more than President Obama's initial FY 2017 budget request.

National Oceanic and Atmospheric Administration (NOAA)

The bill gives NOAA \$3.37 billion in funding, which is an increase of \$62.1 million from FY 2016. This increase includes \$477.7 million for Oceanic and Atmospheric Research, a \$15.8 million increase for that area. Of note, NOAA's climate research efforts received level funding of \$158 million. The FY 2018 skinny budget called for a 17 percent overall reduction for NOAA.

National Science Foundation (NSF)

The National Science Foundation received \$7.47 billion in funding, which is a small \$8.7 million increase over last year's level.

Environmental Protection Agency

In one of the only research areas to receive a funding decrease, the Environmental Protection Agency's regulatory and research programs received a \$52 million reduction, which represents a roughly 3 percent cut to their scientific efforts. This reduction comes as part of an overall \$81.4 million reduction to the agency as a whole.

Increases to College Readiness Programs

TRIO

Federal TRIO programs, which are student services programs such as Upward Bound that aim to provide support for youth from disadvantaged backgrounds through their academic careers up to the graduate school, received \$950 million in funding. This funding level represents a \$50 million increase over the FY 2016 level.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

In addition to TRIO, the omnibus package included \$340 million for GEAR UP grants, an increase of \$17 million from FY 2016. GEAR UP offers grants to support projects designed to better prepare low-income students in high-poverty middle and high schools for postsecondary education. Some GEAR UP funds are also used to provide college scholarships to low-income students.

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As always, please do not hesitate to contact us with any questions, comments, or action items.