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Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Betsy Shotwell

SUBJECT: SEE BELOW

DATE: January 17, 2014

Approved  Date 1/20/14

INFORMATION

SUBJECT: FY 14 FEDERAL APPROPRIATIONS ANALYSIS OF LOCAL GOVERNMENT INTERESTS

The City's Federal lobbyist firm of Patton Boggs LLP has provided the attached analysis of the \$1.1 trillion FY 2014 omnibus appropriations bill which includes the funding details of programs of interest to local governments.

On December 26, 2013, President Obama signed The Bipartisan Budget Act of 2013 (H.J. Res. 59) which established topline discretionary funding levels for FY 2014 and FY 2015, enabling the appropriations process to return to order. In addition to the topline discretionary cap of \$1.012 trillion for FY 2014, the agreement also establishes a topline \$1.014 trillion discretionary spending cap for FY 2015; mitigates sequestration by \$63 billion over two years -- \$45 billion in FY 2014 and \$18 billion for FY 2015 -- split evenly between defense and non-defense activities; and includes \$85 billion in deficit reduction through a package of savings and tax revenues.

This week both the House and the Senate passed the omnibus spending bill and sent it to the President which will fund the government for the next 8 ½ months. For the first time in a number of years, Congress has passed a detailed funding plan for the government which is described in the attached -- including funding levels for energy, homeland security/law enforcement, housing/community development, transportation, workforce/job training, health and education.

In addition, lawmakers agreed last year to suspend the debt limit until February 7, 2014. While the U.S. Treasury can continue borrowing for an additional month by using emergency powers, this will surely test whether Congress can work together to increase the nation's borrowing authority and avoid default on payments.

The Administration is also busy during this time as the President is preparing his 2014 priorities for his State of the Union address scheduled for January 28 with the President's FY 2015 Budget targeted for release in March.

HONORABLE MAYOR AND CITY COUNCIL

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This Federal budget analysis reflects many of the City's legislative policy principles and priorities and our efforts to work with our Federal partners to advocate on issues of concern and interest to the City during the second year of the 113th Congress.

Updates are also provided in Patton Bogg's weekly "Capital Thinking Blog" found on their website: www.pattonboggs.com.

/s/

BETSY SHOTWELL

Director, Intergovernmental Relations

For more information, please contact Betsy Shotwell, Director, IGR at (408) 535-8270

Attachment:

Patton Boggs' FY 14 Appropriations Analysis of Local Government Interests

MEMORANDUM

From: Patton Boggs, LLP
Date: January 14, 2014
Subject: FY 2014 Appropriations Analysis of Local Government Interests

Late on January 13th, congressional negotiators unveiled a \$1.1 trillion FY 2014 funding bill for all 12 of the annual spending bills, known as an omnibus appropriations bill. By foregoing the use of continuing resolutions for any agencies, the House and Senate appropriators effectively provided new funding and guidance for programs that have been frozen for years due to political gridlock while preventing another round of automatic spending cuts, or sequestration. Although some conservative groups have lined up to denounce the 1,582 page package, it is expected that it will pass since Congress already signed off on the budget deal (PL113-67) last month and the omnibus is considered an extension of that debate.

The House is expected to take up the omnibus bill today under a closed rule, while the Senate is scheduled to take it up as early as Friday. Congress has cleared a three day Continuing Resolution (HJ Res 106) to keep the government operating until January 18 in order to give themselves enough time to pass the package. The current continuing resolution bill (PL 113-46) expires at midnight tonight.

The 2014 omnibus appropriations bill fully restores funding for Head Start, provides funding for more Customs border processors, but bars funding to enforce new standards banning the use of incandescent light bulbs. It increases funding for such items as: alternative fuel programs, Army Corp of Engineers waterway navigation efforts, including harbor maintenance work, and fighting wildfires.

Notable is \$600 million for The Department of Transportation's TIGER grants. This is \$126 million higher than last year's sequestered level. It does not contain a separate account that was proposed by the Senate for bridge upgrades. The House had proposed zeroing the TIGER program out. Also notable is the absence of funding for high speed rail.

Another high point is that the Community Development Block Grant (CDBG) funding is increased to \$3.03 billion. The Choice Neighborhoods program, which helps communities with struggling neighborhoods with HUD assisted housing through a comprehensive approach to neighborhood transformation, would receive \$90 million. The HOME program sees a slight increase to \$1 billion. EPA Brownfields funding remains level.

The Urban Area Security Initiative (UASI) is funded at \$600 million. The comparable FY 2013 level was \$475 million. Accompanying committee report language specifies that "if the Secretary determines that risk can be more effectively addressed through a change in the number of urban areas receiving UASI funding when compared to the number funded in fiscal year 2013, the specific factors that led to the determination shall be briefed to the Committees", opening the door to more than 25 urban areas being funded this year.

An initial programmatic analysis of funding levels for key programs follows. NOTE: The FY 2013 funding levels provided for comparative analysis are FY 2013 enacted levels, or pre-sequestration (most domestic accounts were subsequently reduced by 7 to 9 percent when sequestration was implemented).

Agriculture/Healthy Food

- **Women, Infants and Children (WIC):** \$6.7 billion (\$153 million below FY 2013). The bill directs the Secretary to amend requirements to allow States to include all varieties of fresh, whole, or cut vegetables, except for vegetables with added sugars, fats, oils.
- **Supplemental Nutrition Assistance Program:** \$79.2 billion (\$77.3 billion in FY 2013)
- **Child Nutrition Program:** \$19.3 billion. The bill directs the Secretary to establish a waiver approval process within 90 days of enactment for States to grant waivers for the 2014-15 school year to any local educational agency that certifies it cannot operate a food service program without incurring increased costs in order to comply with the interim final rule entitled "National School Lunch Program and School Breakfast Program: Nutrition Standards for All Foods Sold in School" and/or Part 220 of title 7, Code of Federal Regulations as such part relates to establishing new nutrition standards for the school breakfast program.
- **Food Safety and Inspection: Agricultural Research Service: Agricultural Credit Programs:** \$1.011 billion (\$1.03 billion in FY 2013)
- **National Institute for Food and Agriculture:** \$850 million (\$720 million in FY 2013)
- **Community Food Projects:** \$5 million (same as FY 2013)
- **Rural Business Enterprise Grant:** \$24.3 million (\$23.7 million in FY 2013)
- **Rural Business Opportunity Grant:** \$2.3 million (\$2.2 million in FY 2013)
- **Agricultural Marketing Service:** \$1.25 billion

Army Corps/EPA/Interior

In order to provide additional firefighting funding to the Forest Service, negotiators did not include funding for Department of Interior's Payment in Lieu of Taxes (PILT) program. It is anticipated that authorizing committees will seek a solution before the next PILT payments are expected this spring.

- **Army Corps of Engineers:** \$5.5 billion (\$8.43 billion in FY 2013, included emergency appropriations)
 - Investigations: \$125 million
 - Construction: \$1.66 billion
- **Bureau of Reclamation, Water, and Related Resources:** \$1.1 billion (\$1.05 billion in FY 2013)
- **Environmental Protection Agency:** \$8.2 billion (\$8.34 billion in FY 2013)
 - Clean Water State Revolving Fund: \$1.45 billion
 - Drinking Water State Revolving Fund: \$907 million
 - STAG Grants: \$3.5 billion
 - EPA Rescission of Unobligated Balances: \$7.5 million
- **National Park Service:** \$2.6 billion (\$2.57 billion in FY 2013)
 - Operation of the National Park System: \$2.2 billion
 - National Recreation and Preservation: \$60.8 million
 - Historic Preservation Fund: \$56.4 million
 - Construction: \$137.5 million
 - Land and Water Conservation Fund: Rescission of \$28 million

Energy

The bill prohibits funding for the implementation of the ban on incandescent light bulbs from being manufactured or sold.

- **Low Income Home Energy Assistance:** \$3.4 billion (\$3.068 billion in FY 2013)
- **Energy Efficiency and Renewable Energy:** \$1.9 billion; rescinding \$10 million of de-obligated balances. (\$1.5 billion in FY 2013)
 - Hydrogen and Fuel Cell Technologies: \$93 million
 - Biomass and Biorefinery Systems Research and Development: \$232.4 million
 - Solar Energy: \$257.2 million
 - Wind Energy: \$88.2 million
 - Geothermal Technology: \$45.8 million
 - Water Power: \$58.8 million
 - Vehicle Technologies: \$289.9 million

- Building Technologies: \$177.97 million
- Advanced manufacturing: \$180.6 million
- Federal energy management program: \$28.3 million
- Weatherization: \$174 million
- **Advanced Research Projects Agency-Energy**: \$280 million (\$265 million in FY 2013)
- **Electricity Delivery and Energy Reliability**: \$147.3 million
 - Clean Energy Transmission and Reliability: \$32.4 million
 - Smart Grid Research and Development: \$14.6 million
 - Energy Storage: \$15.2 million
 - Cyber Security for Energy Delivery Systems: \$43.5 million
 - **Office of Science**: \$5.071 billion (\$4.6 billion in FY 2013)
 - **Nuclear Energy**: \$889 million (\$853 million in FY 2013)
 - **Fossil Energy Research and Development**: \$562 million (\$534 million in FY 2013)
 - **Advanced Technology Vehicles Manufacturing Loan Program**: \$6 million

HEALTH AND SOCIAL SERVICES

The bill does not provide any new funding for Obamacare, nor does it defund or eliminate any provisions of the law.

- **Health Resources and Services Administration**: \$1.5 billion (\$1.6 billion in FY2013)
 - Community Health Centers: \$3.6 billion (\$700 million above FY 2013 level)
 - Ryan White HIV / AIDS Program: \$2.2 billion (\$2.3 billion in FY2013)
 - Health Professionals Training: \$734 million (\$733 million in FY 2013)
 - Children's Hospital Graduate Medical Education Program: \$265 million (\$267 million in FY 2013)
 - Child Care Development Block Grant: \$2.4 billion (\$2.3 billion in FY 2013)
 - Head Start: \$8.6 billion (\$8 billion in FY 2013)
- **Centers for Disease Control and Prevention**: \$6.9 billion (\$ 6.5 billion in FY 2013)
 - Preventative Health and Health Services Block Grant: \$160 million
 - Injury Prevention and Control Activities: \$142 million
 - Youth Violence Prevention: \$14.2 million
 - Public Health Preparedness and Response activities \$1.3 billion (\$1.29 billion in FY 2013)
 - AIDS Drug Assistance Program: \$900 million (\$897 million in FY 2013)
 - Abstinence Education: \$5 million (\$5 million in FY 2013)
- **National Institutes of Health**: \$29.9 billion (\$1 billion above FY 2013 level)
 - National Center for Advancing Translational Sciences : \$633 million (\$666 million in FY 2013)

- The Omnibus requests that NIH provide additional details in the fiscal year 2015 and future budget requests, specifically a breakout of all Cures Acceleration Network (CAN) activity with funding details, performance measures, details on activities and partnerships, and criteria used to select projects. The request should describe the relationship of CAN activities with other NIH programs and projected termination dates.
- **Substance Abuse and Mental Health Services Administration (SAMSHA):** \$3.63 billion (\$144 million above FY 2013 level)
 - Substance Abuse Block Grant: \$1.75 billion (\$1.72 billion in FY 2013)
 - Mental Health Block Grant: \$484 million (\$459 million in FY 2013)
 - Youth Violence Prevention Activities: \$23.2 million (\$23.1 million in FY 2013)
- **Agency for Healthcare Research and Quality (AHRQ):** \$371 million (\$375 million in FY 2013)
- **Centers for Medicare and Medicaid Services (CMS):** \$5.4 billion (\$5.23 billion in FY 2013)
 - \$20.1 million for CMS research, development, and evaluation (\$21.2 million in FY 2013)
 - Health Care Fraud and Abuse Control: \$251 million (\$250 million in FY2013)
- **National and Community Service Programs:** \$462.4 million (\$447 million in FY 2013)

Homeland Security/Law Enforcement

- **FEMA Disaster Relief Fund:** \$6.2 million
- **Urban Search and Rescue:** \$35.18 million (\$35.14 million in FY 2013)
- **DHS/FEMA State and Local Programs:** \$1.5 billion (\$1.46 billion in FY 2013). The bill prohibits the consolidation of FEMA State and Local Programs into the National Preparedness Grant Program, as proposed by the Administration, unless authorized by Congress.
 - State Homeland Security Grant Program: \$411.3 million (\$354.6 in FY 2013)
 - Urban Area Security Initiative: \$587 million (\$559 million in FY 2013). The bill requires DHS/FEMA to seek Congressional approval before decreasing the number of UASIs below the number funded in FY 2013.
 - Public Transportation Security Assistance and Railroad Security Assistance: \$10 million
 - Port Security Grants: \$100 million (\$93.2 million in FY 2013)
 - Education, Training, and Exercises: \$233.65 million
- **National Special Security Events:** \$4.5 million (\$4.49 million in FY 2013)
- **Firefighter Assistance Grants:** \$680 million (\$674.3 million in FY 2013)
 - Assistance to Firefighters grants: \$340,000,000 for (\$337.2 million in FY 2013)

- SAFER grants: \$340,000,000 for (\$337.2 million FY 2013). The bill maintains the waivers of retention and cost-share requirements.
- **Emergency Management Performance Grants:** \$350 million (\$332.5 million in FY 2013)
- **Flood Hazard Mapping and Risk Analysis Program:** \$95.2 million (\$95.2 million in FY 2013)
- **National Flood Insurance Fund:** \$176.3 million (\$170.8 million in FY 2013). The bill delays in implementation of flood insurance increases for one year for properties that were built in compliance with an effective flood insurance rate map, but have since been remapped into a different flood risk zone or base flood elevation.
- **National Predisaster Mitigation (PDM) Grant Program:** \$25 million (\$24.98 million in FY 2013). The Administration had proposed to eliminate the PDM program.
- **Emergency Food and Shelter Program:** \$120 million (\$119.8 million in FY 2013)
- **Customs and Border Patrol (CBP):** \$10.6 billion (\$10.5 billion in FY 2013). Funding will sustain the increase in CBP officers provided in FY 2010 and will provide an additional 2,000 new hires. The bill also establishes a five-year pilot program to permit CBP to enter into partnerships with private sector and government entities related to ports of entry.
- **National Protection and Programs Directorate (NPPD):** \$2.7 billion (\$2.74 billion in FY 2013)
 - US-VISIT: \$0
 - Infrastructure Protection and Information Security: \$1.19 million
- **DOJ State and Local Law Enforcement Activities:** \$2.3 billion (\$2.2 billion in FY 2013)
 - \$81 million for Public Safety Officer Benefits
- **State and Local Law Enforcement Grants:** \$1.2 billion (\$1.6 in FY 2013)
 - Byrne Memorial JAG: \$376 million
 - Byrne Competitive: \$13.5 million
 - Victims of Trafficking: \$14.3 million
 - Drug Courts: \$40.5 million
 - Prescription Drug Monitoring: \$7 million
 - Bulletproof Vests: \$22.5 million
 - Second Chance/Offender Reentry: \$67.8 million
 - State Criminal Alien Assistance Program: \$180 million
- **Comprehensive School Safety Initiative:** \$75 million for a new research-focused initiative to increase school safety to be developed and implemented by the National Institute of Justice (NIJ) in partnership with law enforcement, mental health, and education stakeholders. NIJ is to submit implementation plans within 90 days of the enactment of the omnibus.
 - \$50 million for pilot grants
 - \$25 million for research and evaluation
- **Juvenile Justice Programs:** \$254.5 million (\$274.3 in FY 2013)

- Juvenile Justice and Education Collaboration Assistance: \$5 million to encourage evidence-based responses to youth discipline in schools and lessen the need for involvement of police and courts. Includes \$1 million for Competitive Grants for Girls in the Justice System, focusing on the unique needs of female offenders.
- **COPS**: \$214 million (\$218 in FY 2013)
 - COPS Hiring: \$180 million
- **Office of Violence Against Women Prevention and Prosecution Programs**: \$417 million (\$408.7 million in FY 2013)
 - STOP Grants: \$193 million
 - Transitional Housing Assistance: \$24.75 million
 - Grants to Encourage Arrest Policies: \$50 million
 - Elder Abuse Program: \$4.25 million
 - Civil Legal Assistance: \$37 million
 - Consolidated Youth-Oriented Program: \$10 million
 - Violence on College Campuses: \$9 million
 - Sexual Assault Victims Services: \$27 million

HOUSING / COMMUNITY AND ECONOMIC DEVELOPMENT

- **Community Development Block Grant**: \$3.03 billion (\$2.9 billion in FY 2013)
- **Tenant-Based Rental Assistance (Section 8)**: \$19.2 billion (\$18.939 billion in FY 2013)
 - Voucher Renewals: \$17.365 billion
 - Tenant Protection Vouchers: \$130 million
 - HUD-VASH Incremental Vouchers: \$75 million
 - Section 811 Vouchers: \$107 million
- **Public Housing Capital Fund**: \$1.875 billion (same in FY 2013)
- **Public Housing Operating Fund**: \$4.4 billion (\$4.26 billion in FY 2013)
- **Choice Neighborhoods Initiative**: \$90 million, a minimum of \$55 million for public housing authorities and up to \$5 million to assist communities in developing strategies for implementing the program with community notice and input (\$120 million in FY 2013)
- **Housing Opportunities for Persons with AIDS**: \$330 million (\$332 million in FY 2013)
- **Home Investment Partnerships Program**: \$1 billion (same in FY 2013)
- **Self-Help and Assisted Homeownership Opportunity Program**: \$50 million (\$53.5 million in FY 2013)
 - Self-Help Homeownership Program (SHOP): \$10 million
 - Capacity Building for Community Development and Affordable Housing Program: \$35 million for second, third, and fourth tier capacity building activities (with \$5 million for rural capacity building)- an additional \$5 million is provided for capacity building activities by national organization with expertise in rural housing

- **Homeless Assistance Grants:** \$2.1 billion (\$2.03 billion in FY 2013)
 - Emergency Solutions Grants (ESG): a minimum of \$250 million
 - Continuum of Care and Rural Housing Sustainability Assistance Program: a minimum of \$1.815 billion
 - National Homeless Data Analysis Project: a minimum of \$6 million
- **Lead Hazard Reduction:** \$110 million (\$10 million below FY 2013)
- **National Foreclosure Mitigation Counseling Program:** \$67.5 million (\$80 million in FY 2013)
- **Brownfields Program:** \$90 million
- **Project-Based Rental Assistance:** \$9.9 billion (\$9.34 billion in FY 2013)
- **Housing for the Elderly:** \$383.5 million (\$374.6 million in FY 2013)
- **Housing for Persons with Disabilities:** \$126 million (\$165 million in FY 2013)
- **Housing Counseling Assistance:** \$45 million (same in FY 2013)
- **Rental Housing Assistance (Section 236):** \$21 million (\$1.3 million in FY 2013)
- **Institute for Museum and Library Services:** \$226.8 million (\$231 million in FY 2013)
- **National Endowment for the Humanities:** \$146 million
- **National Endowment for the Arts:** \$146 million
- **Economic Development Assistance Programs (EDA):** \$209.5 million (\$184 million in FY 2013)

Transportation

- **TIGER Grants:** \$600 million (\$474 million in FY 2013)
- **Federal-aid Highways:** \$41 billion (as authorized in MAP-21) (\$40.4 billion in FY 2013). The bill directs the Secretary to give stronger consideration to projects where state and local governments collaborate with private organizations to deliver a significant improvement to a national or regional transportation network.
- **FTA Capital Investment Grants (New Starts and Small Starts):** \$2.15 billion (including funds remaining available from FY 2013) (\$1.86 billion in FY 2013)
- **High Speed Rail:** No funds are provided for High Speed Rail.
- **FAA Contract Tower Program:** The bill fully funds the Contract Tower Program at \$140 million.

Workforce and Job Training

- **Employment and Training Administration:** \$10.4 billion (\$10.9 billion in FY 2013)
- **Workforce Investment Act:**
 - Grants to States: \$766 million (\$769 million pre-sequester in FY 2013)
 - Adult Employment and Training: \$766 million

- Youth Training: \$820 million
- Dislocated Workers: \$1 billion

The bill allows up to 30 percent of Workforce Investment Act funds to be transferred by a local board if approved by the Governor, and a local board may award a contract to an institution of higher education or other eligible training provider if it would facilitate the training of multiple individuals in high-demand occupations.

- Federally Administered Programs: \$474.7 million (\$510.0 million pre-sequester in FY 2013)
 - Dislocated Workers Assistance National Reserve: \$220.9 million
 - Native American Programs: \$46.1 million
 - Migrant and Seasonal Farmworkers Programs: \$81.9 million
 - Women in Apprenticeship (WANTO): \$994,000
 - Youthbuild: \$77.5 million
 - Workforce Innovation Fund: \$47.3 million to demonstrate innovative strategies or replicate effective evidence-based strategies that align and strengthen the workforce investment system in order to improve program delivery and education and employment outcomes for beneficiaries.
- National Activities: \$86.1 million (\$102.6 million pre-sequester in FY 2013)
 - Pilots, Demonstrations, and Research: \$0
 - Ex-Offender Activities: \$80.1 million
 - Evaluation: \$0
 - Workforce Data Quality Initiative: \$6 million
- **Veterans Employment and Training**: \$269.5 million (\$264.4 million in FY 2013)
 - Transition Assistance Program: \$14 million

The bill also directs the Secretary to submit a report assessing the employment needs of Native American veterans living on tribal lands.

- **Job Corps**: \$1.7 billion (\$1.84 billion in FY 2013)

Early Childhood and K-12 Education

- **Head Start**: \$8.6 billion. The Head Start program will receive an increase of \$612 million over enacted FY 2013 levels and would restore Head Start cuts from sequestration while providing an approximately 1.3 percent cost of living adjustment.
 - This funding includes \$500 million to expand Early Head Start (EHS), including EHS-Child Care Partnerships where appropriate. The statement of managers notes that this funding should be prioritized for organizations that seek to develop a unified birth-to-school-entry continuum through alignment with other

federally, State or locally funded early childhood care programs. The funding should also be directed at children in low-income families from birth to age three.

- The statement of managers also notes that the Secretary of Education should reserve no less than 3 percent for Indian Head Start programs and no less than 4.5 percent for migrant and seasonal Head Start programs.
- **High-quality Preschool Programs:** \$250 million. The bill would allow the Education Department and HHS to jointly administer a new \$250 million competitive grant program through the end of the calendar year for states to develop, enhance, or expand high-quality preschool programs for families at or below 200 percent of the poverty level.
 - States could award sub-grants to LEAs, Head Start programs and other early learning and child care providers.
 - Grants could be reissued annually to successful programs for up to a total award period of six years.
- **School Improvement Grants (SIG):** \$505.76 million. The omnibus maintains sequester level funding for the School Improvement Grant program, but allows for greater flexibility in state strategies, with approval from the Secretary.
- **ESEA Title I – Education for the Disadvantaged:** \$15.5 billion. The funding provided for Title I programs is slightly less than the pre-sequester level of \$15.7 billion dollars and includes a new provision allowing funds to be used to address the transportation needs of homeless children.
- **Impact Aid:** \$1.3 billion. The funding included in the omnibus would allow some relief from sequestration hits to the program.
- **Individuals with Disabilities Education Act (IDEA) State Grants:** \$11.6 billion. Overall funding for the program, and its grants to states and LEAs to help offset the cost of educating children with disabilities, are slightly less than pre-sequester levels.

Higher Education Funding

- **Student Financial Assistance:** \$24.49 billion. The omnibus bill would restore funding for campus-based financial aid programs to pre-sequester levels and also increases the maximum Pell Grant amount.
 - **Pell Grant:** \$22.78 billion. The maximum Pell Grant is increased to \$5,730, funded by a combination of discretionary and mandatory funds. The omnibus also requires the Education Department to report on enrollment and outcomes for Pell Grant recipients, including at the institutional level, within 120 days, and to continue to provide such reports in the future. The report must also include a proposal to improve tracking those enrollment and graduation rates, as well as strategies to minimize the burden on colleges.

- **Federal Supplemental Educational Opportunity Grant:** \$733.13 million. This represents an increase of \$37 million from FY 2013.
- **Federal Work Study:** \$974.73 million. Funding for the Federal Work Study program was increased by \$49 million from FY 2013 levels. \$8.4 million of this funding will go to the Work Colleges program created in the Higher Education Act.
- **Fund for the Improvement of Postsecondary Education:** \$79.4 million. Included within this amount is \$75 million for a new competition called First in the World, which would give grants to colleges and universities to put proven innovations in action to increase college completion and make college more affordable. The Department of Education is directed to prioritize innovative strategies aimed at low-income students. In addition, \$20 million is to be set aside for minority-serving institutions to improve their students' persistence and completion rates while keeping costs under control.
- **Federal TRIO Programs:** \$838.25 million. This represents an increase of \$42 million from FY 2013 levels.
- **Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP):** \$301.84 million. The omnibus increased GEAR UP funding by \$15 million compared to FY 2013. The explanatory statement also notes that the Department may increase the evaluation set-aside for the GEAR UP program to up to 1.5 percent in order to standardize data collection.
- **Higher Education Regulations Study:** \$1 million. This funding will go to a study proposed by Senator Lamar Alexander (R-TN) to look at the impact of federal regulations and reporting requirements on institutions of higher education.
- **Race to the Top:** The omnibus package does not include a long-sought new initiative from the Obama Administration: a Race to the Top for college affordability and completion, which President Barack Obama first proposed in the 2012 State of the Union address.
- **Student Loan Servicers:** The package provides discretionary funding to allow the Department of Education to continue contracts with not-for-profit (NFP) student loan servicers, but directs the Secretary to issue a report by March 31, 2014 detailing how it will streamline metrics to ensure consistency and effectiveness of NFP servicers and the main loan servicers, Title IV Additional Servicers (TIVAs).

Select Research Funding

- **National Science Foundation (NSF):** \$7.2 billion. In addition, the omnibus requires the NSF to report on its efforts to meet the needs of colleges and universities that serve Hispanic students through existing assistance programs and also asks NSF to consider establishing specific programs for institutions serving Hispanics.

- **National Institutes of Health (NIH):** \$29.9 billion. This represents a rare increase of \$1 billion over FY 2013 levels.
- **Centers for Disease Control and Prevention (CDC):** \$6.9 billion. The omnibus provides \$567 million more than in fiscal 2013.
- According to appropriators, the agreement does not include funding for the Administration's proposed **National Network of Manufacturing Institutes (NNMI)** because the NNMI legislative proposal has not yet been considered or approved by Congress.