After weeks of negotiations, House Speaker Kevin McCarthy (R-CA) and President Biden struck a preliminary agreement, called the Fiscal Responsibility Act, that would suspend the debt ceiling through January 1, 2025. The legislation would also place caps for two years on all discretionary spending, which includes agencies such as the Department of Defense (DOD), National Institutes of Health (NIH), and National Science Foundation (NSF). On Wednesday night, the House passed the legislation, sending it to the Senate, which quickly passed it on Thursday night, sending the legislation to President Biden to be enacted into law before June 5, avoiding federal default and potential financial catastrophe. A detailed analysis of relevant provisions in the legislation can be found below.

The University of Minnesota Washington Update provides intelligence and analysis on recent federal activities. Contact Jackson Clark, Lewis-Burke Associates LLC, at jackson@lewis-burke.com with any questions or comments related to the Update’s content.

Congressional, Agency, Policy Updates and Funding Opportunities

Congressional Update: House Speaker and President Reach Agreement to Suspend the Debt Limit
Over the weekend, House Speaker Kevin McCarthy (R-CA) and President Biden struck a preliminary agreement, called the Fiscal Responsibility Act, that would suspend the debt ceiling through January 1, 2025, and limit discretionary spending over the next two years, among other provisions. On May 31, the House voted 314-117 to pass the legislation, with 149 Republicans and 165 Democrats voting in favor. On June 1, the legislation was passed by the Senate with a 63-36 vote, sending it to President Biden to be enacted into law before Treasury Secretary Janet Yellen’s set “x-date” of June 5.

See below for a summary and analysis of key provisions in the legislation:

Discretionary Spending
In exchange for suspending the debt limit for two years, the bill would cap discretionary spending for two years, with a slight increase for defense spending and reduced overall funding for nondefense
spending. Specifically, in FY 2024, the bill would provide $886 billion, a $28 billion or 3.3 percent increase above the FY 2023 enacted level and consistent with the FY 2024 President’s budget request, for defense discretionary spending. In FY 2025, defense spending would grow to $895 billion, a 1 percent increase. Conversely, nondefense spending would see a 5.4 percent cut compared to FY 2023, for a total of $704 billion that includes $121 billion for veterans’ medical care. In FY 2025, nondefense spending would grow to $711 billion, a 1 percent increase above FY 2024. The deal between the President and Speaker also includes “flexible” funding, not written into the bill for future nondefense discretionary spending.

The FY 2024 President’s budget request proposed a $68 billion or 9 percent increase to nondefense programs, boosting funding for key agencies such as the National Institutes of Health (NIH), National Science Foundation (NSF), Department of Energy (DOE), and National Aeronautics and Space Administration (NASA) as well as major education, health care and workforce development programs. Under the budget environment set by the bill, new initiatives, including implementation of the science provisions of the CHIPS and Science Act, could be limited. With flexibility in shoring up nondefense programs, certain federal agencies and major initiatives may receive funding increases above FY 2023 levels. However, Congress, in its FY 2024 appropriations process, will be much more constrained than in prior years and most of the increases proposed in the budget request will not be realized.

With a budget agreement in place, both the House and Senate Appropriations Committees plan to advance FY 2024 appropriations bills starting in June. While a Continuing Resolution (CR) is still likely needed to avoid a government shutdown and extend funding for most, if not all, federal agencies at the end of the fiscal year on September 30, 2023, to give Congress time to negotiate a final spending package, a budget agreement makes it more likely for Congress to pass final FY 2024 appropriations. There is also a penalty included in the legislation that institutes a 1 cut to all defense and nondefense programs if FY 2024 appropriations legislation is not passed before the end of the 2023 calendar year, which provides Congress an additional incentive. In addition to appropriations, a path forward on the debt ceiling and a federal budget unlocks negotiations on other stalled legislation, including the FY 2024 National Defense Authorization Act, the Farm Bill, the reauthorization of the Federal Aviation Administration, and reauthorization of the Pandemic and All-Hazards Preparedness Act (PAHPA).

**COVID Relief Funds**
The deal rescinds approximately $30 billion in currently unobligated federal COVID relief funding that was provided in multiple pieces of legislation from the 116th and 117th Congress. $507 million of the unobligated funding was meant for research and antiviral development at the National Institute of Allergy and Infectious Diseases (NIAID). Additional unobligated funding was meant for rental assistance, small business loans, and rural development programs, among other programs.

**IRS Funding**
The deal rescinds a portion of the additional $80 billion the Internal Revenue Service (IRS) received under the Inflation Reduction Act. The agreement calls for a rescission of $1.4 billion in IRS funding, with an additional $20 billion available for nondefense discretionary programs over the next two years.

**SNAP Work Requirements and TANF Credit**
The deal calls for increasing the maximum age for work requirements to receive Supplemental Nutrition Assistance Program (SNAP) to 54 by 2025. However, this provision of the bill expires October 1, 2030. The bill exempts homeless individuals, veterans, and individuals aged 24 and younger who were in foster care when
they turned 18. Regarding the Temporary Assistance to Needy Families (TANF) program, the bill readjusts a credit to states impacting work requirements for recipients.

**Student Loan Repayment**
The deal pauses the administration’s federal student loan payments and the accrual of interest on those loans sixty days after June 30, 2023. The broad student loan relief program offered by the Biden Administration that would discharge student loans for over 40 million individuals is set to be decided by the Supreme Court soon.

**Energy Projects**
The deal streamlines permitting approval for energy projects by reforming portions of the National Environmental Policy Act (NEPA). The bill also expedites permitting for the Mountain Valley Pipeline, a priority for West Virginia Senators Joe Manchin (D-WV) and Shelley Moore Capito (R-WV).

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**Agency Update: Department of Defense Releases 2023 Cyber Strategy**
The Department of Defense (DOD) recently submitted the 2023 DOD Cyber Strategy to Congress. While the version submitted to Congress was deemed classified and an unclassified version is not yet available, the Department did release a Fact Sheet, which can be found by following the link here.

Closely aligning with the [National Cybersecurity Strategy](#) released earlier this year, the 2023 DOD Cyber Strategy further shapes the Department’s key drivers for success in the cyber domain. This approach includes campaigns to improve integrated deterrence, offensive disruptions, and strengthened ties with global allies and partners. DOD also stresses the need to better prepare the military for our cyber needs of the future by investing in science and technology to generate asymmetric advantages, safeguard our networks, and build resiliency. While the White House’s plan underscored the federal government’s need to ensure a safe and secure digital ecosystem for Americans in general, this document sets the parameters for our defense personnel and their priorities going forward.

As such, DOD will pursue four lines of effort to meet its cyber objectives for 2023:

1. Defend the Nation;
2. Prepare to Fight and Win the Nation’s Wars;
3. Protect the Cyber Domain with Allies and Partners; and

While more externally focused, this plan also complements the [DOD Cyber Workforce Strategy](#) released in March, which outlined the Department’s priorities for identifying, recruiting, retaining and training capable cyber personnel of the future.

As other Departments and agencies begin work on their respective cyber plans, Congress is also looking to consolidate and prioritize cyber missions and authorities currently scattered amongst a variety of Executive Branch programs. One potential setback to progress is the vacancy at the White House National Cyber Director (NCD) position, which was authorized in the FY2021 National Defense Authorization Act to help manage the consolidation of the bureaucracy and the coordination of cybersecurity issues facing the nation. The position is currently being performed by Acting Director Kemba Walden, who Co-Chairs of the Cyber Solarium Commission recently urged the President to nominate for the permanent role.
Agency Update: NIH Common Fund Releases Request for Information on Agency-Wide Challenges and Opportunities

The National Institutes of Health (NIH) Common Fund released a request for information (RFI) soliciting responses from relevant stakeholders to address NIH-wide challenges and opportunities that may be of interest to the Common Fund. NIH encourages idea submissions that describe the greatest opportunity or challenge in research today and what makes it the right time to address this idea through a Common Fund program. The Common Fund supports bold scientific programs that are not traditionally supported by any individual NIH institute or center (IC) and have the potential to catalyze discovery across the biomedical and behavioral research enterprise. These initiatives foster collaboration among investigators from various NIH ICs to develop transformative solutions intended to solve high-priority concerns for the NIH and have a broader impact in the scientific community.

The NIH invites investigators to submit cross-cutting, high-impact ideas for biomedical and behavioral research challenges and emerging opportunities that have the potential to become new Common Fund programs.

All solicitation responders should consider the general characteristics of a Common Fund program when submitting ideas. In general, Common Fund programs are trans-NIH and not disease-specific or relevant to the mission of any particular IC. Common Fund programs also require a large, coordinated effort in which many investigators undertake research projects directed at a common goal. Common Fund programs should, however, have specific goals and deliverables with a clearly defined timeline of 5-10 years. Additionally, program ideas should be sufficiently large and complex to warrant a trans-NIH, coordinated approach.

All responses should be submitted electronically by 11:59 pm (ET) on August 11, 2023.

Sources and Additional Information:
- More information about the NIH Common Fund can be found at https://commonfund.nih.gov/.

Policy Update: CMS Releases Final Rule Withdrawing Testing and Vaccination Requirements and Finalizing COVID-19 Vaccine Education Requirements

Following the U.S. Department of Health and Human Services (HHS) termination of the COVID-19 public health emergency (PHE) on May 11, the Centers for Medicare and Medicaid Services (CMS) released a final rule withdrawing testing and vaccination requirements for the staff and patients of healthcare providers. In November 2021, CMS released an interim final rule setting strict COVID-19 staff vaccination requirements for Medicare and Medicaid certified providers and suppliers. Additionally, a September 2020 interim final rule established “requirements applicable for the duration of the PHE for Long Term Care (LTC) facilities to test their staff and residents for COVID-19 based on parameters set forth by the Secretary in a manner consistent with current professional standards of practice.” The interim rule also established COVID-19 reporting requirements for providers.

In the new final rule, CMS acknowledges the end of the PHE and withdraws these vaccination and testing requirements. However, CMS also states a continued emphasis on practicing preventative measures to reduce the transmission of COVID-19 and notes that, moving forward, it “aims to use quality reporting and value-
based incentive programs to encourage health care facilities to practice preventative measures against COVID-19.”

The final rule also addresses the May 2021 interim final rule that established requirements for LTC facilities and Intermediate Care Facilities for Individuals With Intellectual Disabilities (ICFs-IID) to provide COVID-19 vaccination education to residents, clients, and staff, and to offer COVID-19 vaccines to these populations, referred to as the “educate and offer” provisions. The final rule establishes the educate and offer requirements on a permanent basis for COVID-19 vaccines to align CMS policy with existing regulations addressing other infectious diseases, such as influenza and pneumococcal disease.

Funding Opportunity: ED Invites Applicants for FY 2023 Education, Innovation, and Research (EIR) Grants

The Office of Elementary and Secondary Education (OESE) within the Department of Education (ED) issued a notice inviting applications (NIA) for the Education, Innovation, and Research (EIR) program’s FY 2023 competitions. The EIR program supports efforts to create, implement, and evaluate innovative, evidence-based solutions to academic challenges facing high-need students. The EIR program has three tracks: Early-Phase, Mid-Phase, and Expansion. Each track requires a different level of prior evidence of effectiveness and level of scale. During the implementation of an EIR project, grantees are encouraged to develop evidence of effectiveness and new strategies to improve student achievement and attainment. Applicants and grantees are also asked to develop organizational plans on how the project would continue through implementation after federal funding ends.

The EIR Program received a 21 percent boost in funding in the fiscal year (FY) 2023 budget and the Department has indicated strong interest in directing funding focused on social and emotional learning, as well as STEM education and computer science. For this competition, ED estimates having approximately $273 million to split between the three phases. Additionally, ED is expected “to award an estimated $87 million in funds for STEM projects and $87 million in funds for social and emotional learning projects, contingent on receipt of a sufficient number of applications of sufficient quality.” Each phase has an estimated period of performance of 60 months. Higher education institutions may apply as part of a consortium led by a state education agency (SEA), local education agency (LEA), the Bureau of Indian Education (BIE), or as a non-profit organization recognized under 34 CFR 75.71.

ED will host a pre-application webinar on June 1, 2023 at 2 PM ET. Webinar details, additional resource materials, and a schedule of future webinars can be found at https://oese.ed.gov/offices/office-of-discretionary-grants-support-services/innovation-early-learning/education-innovation-and-research-eir/fy-2023-competition/.

All three tracks are also focused on projects that are consistent with the Raise the Bar: Lead the World initiative from ED that aims to transform pre-K-12 education through innovative and equitable learning strategies to support a globally competitive workforce. Further details regarding each of the competition phases and their specific requirements and priorities can be found below.

Early-Phase Grants

Early-phase grants provide funding for the development, implementation, and feasibility testing of a program that, with previous research as the foundation, can improve student achievement and attainment. Continuous
improvements to project design and implementation are expected and encouraged. This competition includes five absolute priorities and two competitive preference priorities. Applicants are required to address absolute priority one and at least one of the remaining absolute priorities. Competitive preference one is open to all applicants regardless of what additional absolute priority they choose, while competitive preference two is only an option when addressing absolute priority five. Please note that applicants that are interested in addressing multiple absolute priorities must submit separate applications. More information on this specific provision can be found here.

- **Absolute Priority 1**: Demonstrates a Rationale
- **Absolute Priority 2**: Field-Initiated Innovations—General
- **Absolute Priority 3**: Field-Initiated Innovations—Promoting Equity in Student Access to Educational Resources and Opportunities: STEM
- **Absolute Priority 4**: Field-Initiated Innovations—Meeting Student Social, Emotional, and Academic Needs
- **Absolute Priority 5**: Field-Initiated Innovations—Promoting Equity in Student Access to Educational Resources and Opportunities: Educator Recruitment and Retention
  - **Competitive Preference Priority 1**: Promoting Equity in Student Access to Educational Resources and Opportunities: Implementers and Partners
  - **Competitive Preference Priority 2**: Supporting a Diverse Educator Workforce and Professional Growth to Strengthen Student Learning. Only applicants that address Absolute Priority 5 may address and receive points under Competitive Preference Priority 2.

OESE expects to grant 17-38 awards in this competition with an average size award of $4 million. Notice of intent to apply is due by June 22, 2023, and applications are due no later than August 1, 2022. Further information for the early-phase grants competition can be found here.

**Mid-Phase Grants**

Mid-phase grants provide funding for the evaluation and implementation of a program that has previously been implemented under an early-phase grant or another effort with similar criteria. Much like early-phase grants, this competition includes five absolute priorities and one competitive preference priority. Applicants are required to address absolute priority one and at least one of the remaining absolute priorities. The competitive preference priority is open to all applicants regardless of what additional absolute priority they choose. Please note that applicants that are interested in addressing multiple absolute priorities must submit separate applications. More information on this specific provision can be found here.

- **Absolute Priority 1**: Moderate Evidence
- **Absolute Priority 2**: Field-Initiated Innovations—General
- **Absolute Priority 3**: Field-Initiated Innovations—Promoting Equity in Student Access to Educational Resources and Opportunities: STEM
  - Within this absolute priority, the Department encourages applications to focus on the expansion in STEM education, including computer science, for underrepresented students.
- **Absolute Priority 4**: Field-Initiated Innovations—Meeting Student Social, Emotional, and Academic Needs
- **Absolute Priority 5**: Field-Initiated Innovations—Promoting Equity in Student Access to Educational Resources and Opportunities: Educator Recruitment and Retention
**Competitive Preference Priority 1:** This competitive preference encourages applicants from a diverse group of entities including Historically Black Colleges and Universities (HBCU), Minority-Serving Institutions (MSI), and Tribal Colleges and Universities (TCU).

OESE expects to grant between eight to 15 awards with an average funding award of $8 million. Notice of intent to apply is due by **June 22, 2023**, and applications are due no later than **July 12, 2023**. Further information on the mid-phase grants competition can be found [here](#).

**Expansion Grants**

Expansion grants provide funding for evaluation and implementation after being found to produce significant impacts through under the mid-phase grant program. These projects are encouraged to be implemented at the national level, helping specifically underserved and high-need students. This competition includes two absolute priorities, which applicants are required to address, and one competitive preference priority:

- **Absolute Priority 1:** Strong Evidence
- **Absolute Priority 2:** Field-Initiated Innovations—General
- **Competitive Preference Priority 1:** This competitive preference encourages applicants from a diverse group of entities including Historically Black Colleges and Universities (HBCU), Minority-Serving Institutions (MSI), and Tribal Colleges and Universities (TCU).

OESE expects to grant four to eight awards with each awardee receiving an average funding amount of $15 million. Notice of intent to apply is due by **June 22, 2023**, and applications are due no later than **July 12, 2023**. Further information on the expansion grants competition can be found [here](#).

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**Funding Opportunity: NIFA Releases first Solicitation for Research Facilities Act Program**

The U.S. Department of Agriculture (USDA) National Institute of Food and Agriculture (NIFA) released a request for applications (RFA) for the Research Facilities Act Program (RFAP). The RFAP aims to provide funds for “construction, alteration, acquisition, modernization, renovation, or remodeling of the research facilities”. Awardees may use the funds for:

1. “Assessing sites and infrastructure;
2. planning and conceptual designing for the new, restored, or renovated facility or site;
3. developing schematics and construction drawings for the new, restored, or renovated facility or site;
4. constructing, restoring, or renovating of facility or site;
5. purchasing and installing related permanently affixed equipment for research monitoring and protecting specimens and samples;
6. purchasing and installing critical building systems, such as electrical, climate control, security, life safety, lighting utilities, telecommunications, and energy management.”

**Eligible Applicants:** Eligible applications can be submitted from: 1994 Institutions, 1862 Land-Grant Universities, 1890 Land-Grant Universities, Hispanic-Serving Institutions, Non-Land-Grant Colleges of Agriculture (NLGCA), Insular Area Institutions, colleges of veterinary medicine, State Agricultural Experiment Stations, and Institutions eligible for “McIntire-Stennis Cooperative Forestry Act” funds.
**Funding:** The total award amount for the RFAP is $1,900,000 and will be awarded in three levels. Applicants must choose one of the three levels in their applications. Level one will be awarded to five applicants at a maximum amount of $75,000 for a project duration of 24 months. Level two will award four applicants at a maximum amount of $150,000 for a project duration of 36 months. Lastly, level three will award two applicants at a maximum amount of $500,000 for a project duration of 48 months. Awards will prioritize projects that are located at or primarily benefit minority-serving institutions (MSI).

**Matching:** There is a required 1:1 match for each award.

**Institutional Limitations:** Institutions may only submit one application. If multiple applications are received from a single institution, the last validated submission prior to the deadline will be accepted.

**Due Date:** All applications will be due by July 7th, 2023.

**Sources and Information:**

**Funding Opportunity: HRSA Releases 2023 Primary Care Training and Enhancement-Language and Disability Access Program NOFO**

The Health Resources and Services Administration (HRSA) released a Notice of Funding Opportunity (NOFO) soliciting applications to its fiscal year (FY) 2023 Primary Care Training and Enhancement-Language and Disability Access (PCTE-LDA) program. The PCTE-LDA program aims to “develop curricula and train medical students, physician assistant students, and primary care medical residents to provide high quality primary care services to individuals with limited English proficiency (LEP) and/or individuals with physical disabilities and/or intellectual and developmental disabilities (IDD) with goals of improving health outcomes for these populations.”

Applicants to the NOFO must focus on one or both of the following focus areas, with additional information on each of them in the full NOFO, that emphasize increasing access to quality primary care services for individuals with LEP and/or individuals with physical disabilities and/or IDD:

1. **Language Assistance for Individuals with LEP:** Supports individuals with LEP by training primary care medical students, physician assistant students, or medical residents to provide culturally and linguistically appropriate health information and services.”

2. **Care for Individuals with Physical Disabilities and/or IDD:** “Supports primary care residents in developing culturally competent skills in providing care to individuals with physical and/or intellectual and developmental disabilities.”

**Award Information:** HRSA anticipates funding 16 grant award recipients for up to $400,000 per year if applying for one focus area or up to $600,000 per year if applying for both focus areas. The period of performance for each award is five years.
Eligibility: Accredited public or nonprofit private hospitals; accredited schools of allopathic medicine or osteopathic medicine; accredited academically affiliated physician assistant training programs; and residency training programs in family medicine, general internal medicine, general pediatrics, or combined general internal medicine and general pediatrics are eligible to apply.

HRSA is holding a pre-application technical assistance webinar on June 5, 2023 from 2:00-3:30 EST. Interested applicants can join the webinar here. Applications must be submitted by July 3, 2023. Additional information, including submission instructions, can be found in the full NOFO here or at www.grants.gov under the Funding Opportunity Number “HRSA-23-123.”