



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 10, 2014
(House Rules)

STATEMENT OF ADMINISTRATION POLICY
H.R. 4800 — Agriculture, Rural Development, Food and Drug Administration, and
Related Agencies Appropriations Act, 2015
(Rep. Rogers, R-KY)

The Administration strongly opposes House passage of H.R. 4800, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and related agencies for the fiscal year ending September 30, 2015, and for other purposes. The bill undermines key investments in financial oversight, injects political decision-making into science-based nutrition standards, and includes objectionable language riders. If the President were presented with H.R. 4800, his senior advisors would recommend that he veto the bill.

The Administration looks forward to working with the Congress on an orderly appropriations process that supports economic growth, opportunity, and our national security while avoiding unnecessary fiscal crises that hold the Nation's economy back. This process should include reconciling funding levels for individual appropriations bills to promote economic growth and national security, and passing bills without ideological provisions that could undermine an orderly appropriations process.

The President's fiscal year (FY) 2015 Budget provides a roadmap for making investments to accelerate economic growth, expand opportunity for all hard-working Americans, and ensure our national security, while continuing to improve the Nation's long-term fiscal outlook. At the same time, the Budget takes key steps to both continue and enhance the Administration's efforts to deliver a Government that is more effective, efficient, and supportive of economic growth. The President's Budget adheres to the FY 2015 spending levels agreed to in the Bipartisan Budget Act (BBA) and shows the choices the President would make at those levels—increasing rental assistance for rural families, supporting critical nutrition programs for mothers and young children, and providing resources to implement the critical financial protections established in the Wall Street Reform Act. However, the levels agreed to in the BBA are already below FY 2007 funding levels adjusted for inflation and are not sufficient—either in FY 2015 or beyond—to ensure the Nation is achieving its full potential. For that reason, the Budget also includes a fully paid for Opportunity, Growth, and Security Initiative—evenly split between defense and non-defense priorities—that presents additional investments to grow the economy, expand opportunity, and enhance security. The Opportunity, Growth, and Security Initiative would support over \$270 million in priority research in areas such as advanced genetics, earth science, and climate change resilience.

The Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill and urges the Congress to resolve these issues during the FY 2015 appropriations process.

U.S. Department of Agriculture (USDA)

Child Nutrition. The Administration strongly opposes language in the bill that would require the Secretary to establish a waiver process to eliminate current nutrition requirements for school breakfasts and lunches during the 2014-2015 school year for any school or district that demonstrates a net operating loss on school meals for at least six months beginning in July 2013. This would be a major step backwards for the health of American children by undermining the effort to provide kids with more nutritious food. More generally, the Administration strongly opposes the inclusion of any language in the bill that would override science-based standards that improve child nutrition.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC). The Administration is strongly opposed to language in the bill that would require the inclusion of white potatoes in the WIC food package, while taking the unprecedented step of overriding the science-based review process used to determine which foods should be included in the WIC food package. The Administration appreciates that the Committee provides sufficient funding to serve all projected WIC participants for FY 2015, but urges the Congress to fully fund the FY 2015 Budget request for \$150 million in contingency funds to ensure that the program has sufficient resources to meet unexpected changes in participation.

Child Nutrition School Equipment Grants. The Administration appreciates the Committee's continued support for school meals equipment grants, but urges the Congress to fully fund the FY 2015 Budget request of \$35 million to help school districts purchase the equipment needed to serve healthier meals, improve food safety, expand access to meals, and improve energy efficiency.

Healthy Food Financing Initiative (HFFI). The Administration is concerned that the Committee did not provide the requested \$13 million for the newly authorized HFFI program in the most recent Farm Bill. This program would be used to support increased access to healthy foods in underserved areas, create and preserve quality jobs, and revitalize low income communities.

Food Aid Reform. The Administration is concerned that the bill excludes food aid reforms proposed in the President's Budget that would support two million more people in crises without additional resources. The bill also eliminates some flexible food purchase authority provided in the FY 2014 appropriations process. Further, by raising the non-emergency food aid floor to \$375 million from the level in the most recent Farm Bill, the bill reduces the amount that would otherwise be available for emergency food aid. At a time when major food crises are increasing, including those in South Sudan and Syria, these reforms are critically needed.

National Institute of Food and Agriculture. The Administration is concerned that the Committee included no funding to support the three research innovation institutes, as requested in the FY 2015 Budget, and recommended by the President's Council of Advisors on Science and Technology. These institutes would provide competitive grants to support public-private cooperation for pollinator health research, advanced manufacturing, and anti-microbial resistance, all important issues facing the Nation.

Rental Assistance Grant Program. The Administration appreciates that the Committee fully funds Rental Assistance Grants at \$1.1 billion. The Administration encourages the Congress to

adopt all of the funding flexibilities proposed in the FY 2015 Budget in order to improve the management and efficiency of the program.

Summer Electronic Benefit Transfer (EBT) Demonstration. The Administration appreciates the Committee providing \$27 million to support summer EBT pilots, consistent with the President's policy. These pilots are proving successful in reducing childhood hunger and improving nutrition in the months when school meals are unavailable.

Department of Health and Human Services, Food and Drug Administration (FDA)

FDA Rulemaking Rider. The Administration strongly opposes provisions that unduly interfere with FDA's rulemaking process. The bill includes a general provision that withholds \$20 million from FDA's Salaries and Expenses account until FDA issues final guidance on abuse-deterrent formulations of opioids. FDA is committed to publishing final guidance in a timely manner once comments received on the draft guidance have been considered. Withholding funds until the final guidance is published would limit FDA's ability to dedicate staff and resources appropriately and could have far-reaching negative impacts on FDA's public health mission.

User Fees. The Administration continues to support new proposed user fees that would provide vital resources to enhance FDA's capacity to support a prevention-based food safety system and urges the Congress to enact these user fees as proposed in the FY 2015 Budget request.

Other Agencies

Commodity Futures Trading Commission (CFTC). The Administration strongly opposes the \$62 million reduction in funding from the FY 2015 Budget request for CFTC. The further reduction to the amount available for salaries and other general expenses would reduce the number of CFTC staff and significantly impede the Commission's ability to perform its market oversight functions and fully implement enacted financial reforms to protect investors.

Civilian Pay Raise

The Administration urges the Congress to support the proposed 1.0 percent pay increase for Federal civilian employees to help the Government remain competitive in attracting and retaining our Federal workforce. A 1.0 percent civilian pay increase reflects the tight budget constraints that we continue to face, while also recognizing the critical role civilian employees play for the Nation—doing everything from assuring the safety of our food and airways, to securing our borders, to searching for cures to diseases. It also recognizes the sacrifices they have already made through prior pay freezes and last year's furloughs due to sequestration.

The Administration looks forward to working with the Congress as the FY 2015 appropriations process moves forward.

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