DEPARTMENT of HEALTH and HUMAN SERVICES

Fiscal Year

2017

Nonrecurring Expenses Fund

Justification of Estimates for Appropriations Committee

NONRECURRING EXPENSES FUND

Budget Summary

(Dollars in Thousands)

	FY 2015[1]	FY 2016[2]	FY 2017
Notification*	$650,000	$570,000	TBD

*Pursuant to Section 223 of Division G of the Consolidated Appropriation Act, 2008, notification is required of planned use.

Authorizing Legislation:

Authorization…………………………….Section 223 of Division G of the Consolidated Appropriations Act, 2008
Allocation Method……………………………………………………………………..Direct Federal, Competitive Contract

Program Description and Accomplishments

The Nonrecurring Expenses Fund (NEF) permits HHS to transfer unobligated balances of expired discretionary funds from FY 2008 and subsequent years into the NEF account. Congress authorized use of the funds for capital acquisitions including information technology (IT) and facilities infrastructure.

In FY 2015, HHS allocated funds to many Departmental infrastructure needs. For example, HHS used funds to continue development of Department-wide financial systems. HHS invested in data management systems to support enhanced and streamlined access to the Centers for Medicare & Medicaid Services data resources and implementation of new legislative and regulatory requirements. These investments provided more secure access to consumers, states, and partnering agencies to Medicare and Medicaid data. HHS also used NEF funds to invest in facilities construction and maintenance in the Indian Health Service (IHS).

Additionally, HHS allocated FY 2015 NEF funds to the Centers for Disease Control and Prevention (CDC) for IT infrastructure supporting public health programs and enhanced information systems and cybersecurity capabilities. These investments support increased capacity for CDC to respond to emerging infectious disease threats. HHS also invested in facility consolidations in the national capital area as well as a National Institutes of Health (NIH) facility in North Carolina, which will lead to cost savings and future flexibility. HHS also invested in the renovation of the Food and Drug Administration's (FDA) Jefferson Laboratories Complex in Arkansas. HHS also invested in Department-wide IT systems updates related to cybersecurity, multi-factor authentication, and Digital Accountability and Transparency Act of 2014 (DATA Act) compliance.

Budget Allocation

For FY 2016, HHS plans to continue to make Department-wide investments that support information technology hardware and software improvements, including multi-factor authentication compliance efforts, to improve cybersecurity, as well as upgrades to the Department's current financial system. HHS also plans to invest NEF resources in facilities infrastructure at a variety of FDA sites, including Kansas City, Kansas; Atlanta, Georgia; and Winchester, Massachusetts. HHS plans to fund construction and rehabilitation of IHS sites across the country. HHS plans to invest in the NIH's Clinical Center E-Wing in Rockville, Maryland by decommissioning and relocating labs from the current structure, and supporting construction. The E-Wing renovation will provide new research laboratory space that replaces obsolete laboratories including a vital clinical program now functioning in a deficient space.

For FY 2017, HHS has not determined the NEF allocation. The amount allocated will depend on total resources available and the infrastructure needs of HHS. HHS will notify Congress before obligating funds towards projects, consistent with prior year notifications. HHS anticipates making continued investments that support information technology and capital acquisitions across the Department, including facilities infrastructure. The Department will continue to evaluate eligible projects based on funds availability and Administration priority.

[1] Notification submitted to the Committees on Appropriations in the House of Representatives and the Senate on February 13, 2015.

[2] Notification submitted to the Committees on Appropriations in the House of Representatives and the Senate on November 19, 2015.