



NAMI's Analysis of President Barack Obama's FY 2014 Budget

Mental Illness Research

Overall, the President's budget seeks a \$471 million increase to the budget of the National Institutes of Health (NIH) – restoring more than one-third of the across-the-board sequester out in place last month. However, the proposed \$471 million increase is NOT spread evenly or proportionally across the 27 NIH Institutes and Centers. In fact, three Institutes are actually proposed for cuts for FY 2014 – one of which is the National Institute of Mental Health (NIMH). Thus while the National Cancer Institute is proposed for a \$63 million increase, the National Institute on Aging is proposed for a \$73 million increase, the National Institute of Allergy and Infectious Diseases is proposed for a \$96 million and the National Center for Advancing Translational Sciences is proposed for a \$91 million increase, the NIMH is proposed for a \$12 million REDUCTION.

This proposed cut for NIMH, on top of the 5% sequester imposed for this year, is extremely troubling and represents a singling out of mental illness as a lower priority at the NIH – an extremely disturbing development given the overall public health burden of disorders such as schizophrenia and bipolar disorder, the high rate of suicide and the enormous scientific opportunities inherent in brain research. Moreover, this proposed cut in the President's budget follows an announcement at the White House last week for the new BRAIN Initiative to spur the mapping of the most complex human organ. This proposed cut represents a significant retreat from this effort to advance mental illness research and NAMI intends to fight hard to restore these funds.

Mental Health Services

Most programs at the Substance Abuse and Mental Health Services Administration (SAMHSA) are proposed for a freeze at their current funding level for the FY 2013. This includes the Projects for Assistance in Transition from Homelessness (PATH) program (outreach services for homeless individuals with serious mental illness at \$65 million) and the Children's Mental Health Initiative (\$117 million). The Mental Health Block Grant program is actually proposed for a \$3 million reduction, dropping funding down to \$460 million.

The President's budget includes a number of proposals for initiatives on early intervention, screening and school violence prevention that were previously announced in response to the tragedy in Newtown, CT. This includes \$130 million in new funding for Project AWARE (Advancing Wellness and Resilience in Education). It also includes \$40 million in funding for state grants for school-based early intervention,



\$15 million for “Mental Health First Aid” (training for teachers, coaches, school counselors and others to identify mental illness and refer students for treatment), \$25 million for Healthy Transitions” (services for transition age youth), and \$50 million for mental health workforce development (including \$10 million for peer professional training).

Supportive Housing

The President’s budget proposes a significant reduction for the HUD Section 811 program for FY 2014. Section 811 is a critical source of funding for permanent supportive housing (PSH) targeted to non-elderly adults with significant disabilities, including serious mental illness. Specifically, the budget proposes a more than \$40 million reduction, dropping funding down to \$126 million. This includes \$110 million to renew operating subsidies associated with current Section 811 PSH units. This would leave only \$20 million in funding for development of new PSH units under the new HUD Section 811 Project-Based Rental Assistance (PRA) Demonstration program.

The HUD 811 PRA Demonstration program was funded in FY 2012 at \$98 million and, under recently announced awards, granted to 13 states which will result in development of 3,530 units of new PSH units. This proposed cut in funding represents a significant retreat from a critical supportive housing initiative that had been embraced by the Obama Administration as a critical step toward furthering community integration as an alternative to housing in restrictive settings such as nursing homes and board and care homes as part of “Olmstead” cases, as well as efforts to end chronic homelessness. NAMI intends to work to restore these funds in FY 2014.

In a positive development, the President’s budget requests \$2.38 million for programs under the McKinney-Vento Homeless Assistance Act – a \$352 million increase over current year levels.

Veterans Mental Health Care

For FY 2014, the President requests \$54.6 billion for veterans’ medical care, up \$1.9 billion over 2013. This request also includes an “advance” appropriation request for FY 2015 of \$1.4 billion – funds available to the U.S. Department of Veterans Affairs (VA) to ensure more effective long-term planning. The President’s budget also includes a \$7 billion request for expanded inpatient, residential, and outpatient mental health services, a \$469 million increase over current year levels. Finally, the budget requests \$1.4 billion (a \$41 million increase from FY 2013) to further the VA’s integrated plan to end veteran homelessness, including \$250 million for the Homeless Grants and Per Diem program to aid community organizations.

Changes to Social Security Disability Programs



As is being widely reported, the President's budget proposes a significant change to the current formula for how Social Security benefits (including Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) monthly cash benefits) are adjusted annually to account for inflation. The budget specifically embraces a shift to a "Chained CPI" calculation, which is shorthand for "Chained Consumer Price Index for All Urban Consumers", that cumulatively could result in lower monthly cash benefits. Major concerns have been expressed about the potential for this change to impact monthly cash assistance for vulnerable beneficiaries. As a result, the President's proposal exempts most SSI beneficiaries from this "chained CPI" adjustment. Most SSDI recipients would be subject to the "chained CPI" inflation calculation, but with an upward adjustment benefit in the out years.

April 10, 2013