

## Nonrecurring Expenses Fund

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### Budget Summary (Dollars in Thousands)

	FY 2016 <sup>2</sup>	FY 2017 <sup>3</sup>	FY 2018 <sup>4</sup>
<b>Notification<sup>1</sup></b>	\$800,000	\$430,000	-\$560,000

**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 necessary for the operation of the Department, specifically information technology (IT) and facilities infrastructure acquisitions.

In FY 2016, HHS allocated funds to support the decommissioning and new construction of the NIH E-Wing in Rockville, Maryland. The E-Wing project will provide new research laboratory space, replace existing laboratories in adjoining wings, and replace a vital clinical program now functioning in a deficient space. HHS also allocated NEF funds to invest in facilities in the Indian Health Service (IHS). IHS used these funds to enhance their capacity to provide effective and seamless health care by starting construction at two health centers and continuing construction at numerous other medical facilities.

Additionally, HHS invested in Department-wide IT systems updates related to cybersecurity enhancements, Digital Accountability and Transparency Act compliance, and financial system upgrades. HHS also allocated funds to the Centers for Medicare & Medicaid Services to develop systems needed to effectively implement several provisions in the Medicare Access and CHIP Reauthorization Act, including system changes needed to remove Social Security numbers from Medicare cards.

**Budget Allocation**

In FY 2017, HHS will invest in recently notified projects and continue to fund previously notified IT and facilities projects. IT project funding will support the Department’s cybersecurity capabilities and continue the refresh of the Department’s human resources IT system. HHS will also allocate funds to the Centers for Disease Control and Prevention to continue the development of shared information technology functionality that reduces the disparate variety of public health questions asked, data elements collected, and IT messaging used in public health reporting across the agency.

With respect to facility infrastructure projects, HHS will invest NEF funds in IHS sites with the greatest need across the country, including the Great Plains Area, and lab modernizations at a variety of FDA sites, including Kansas City, Kansas; Jefferson, Arkansas; and Winchester, Massachusetts. The Department will also address key vulnerabilities at the NIH campus by allocating funds to acquire emergency generators and new chillers to replace outdated systems.

In FY 2018, the President’s Budget includes a \$560 million cancellation from the NEF. HHS will seek to continue to use the Fund to invest in previously notified information technology and facility infrastructure projects across the Department. HHS plans to execute upon prior notifications over time, as expired funds become available to the Fund.

<sup>1</sup> Pursuant to Section 223 of Division G of the Consolidated Appropriation Act, 2008, notification is required of planned use.

<sup>2</sup> Notifications submitted to the Committees on Appropriations in the House of Representatives and the Senate on November 19, 2015 and May 18, 2016.

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<sup>3</sup> Notification submitted to the Committees on Appropriations in the House of Representatives and the Senate on January 4, 2017.

<sup>4</sup> FY 2018 reflects a cancellation of funds and not a congressional notification of an obligation plan.