

Testimony Before the
House Committee on Energy and Commerce
Subcommittee on Oversight and Investigations

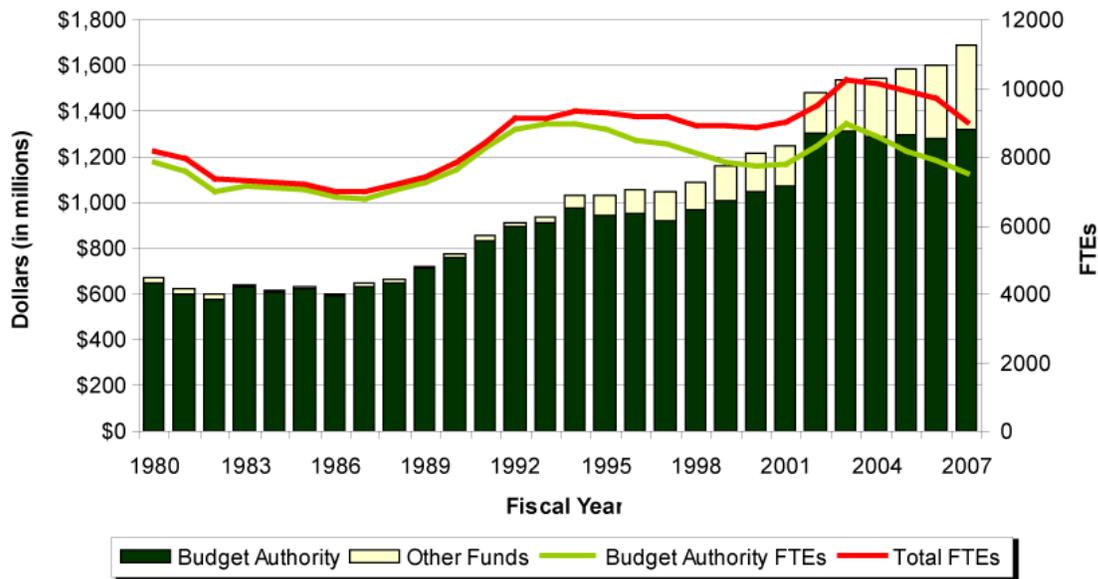
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Thank you, Mr. Chairman and Members of the Committee, for this opportunity to speak before you. My name is Donna Porter, Specialist in Food Safety and Nutrition, Congressional Research Service. I am accompanied by Judith Johnson, Susan Thaul, and Erin Williams. Today, CRS is releasing a report that is a 28-year history of the FDA's budget and statutory authority. I would ask that the full report be included in the hearing record.

CRS takes no position on whether the FDA has the necessary resources to meet its statutory responsibilities. The report examines the agency's budget and increasing statutory authority since 1980. It is intended to help inform the debate on whether FDA's budget has kept pace with the increasing demands placed on the agency.

In response to the CRS request for historical data, FDA cited constraints on its staff time and indicated it would only be able to provide data for recent years. The data in the report are taken from the annual *FDA Budget Justification* documents, which, despite some limitations, provide reasonably consistent information over time.

Four figures from the report illustrate how the agency has fared in the last quarter century.



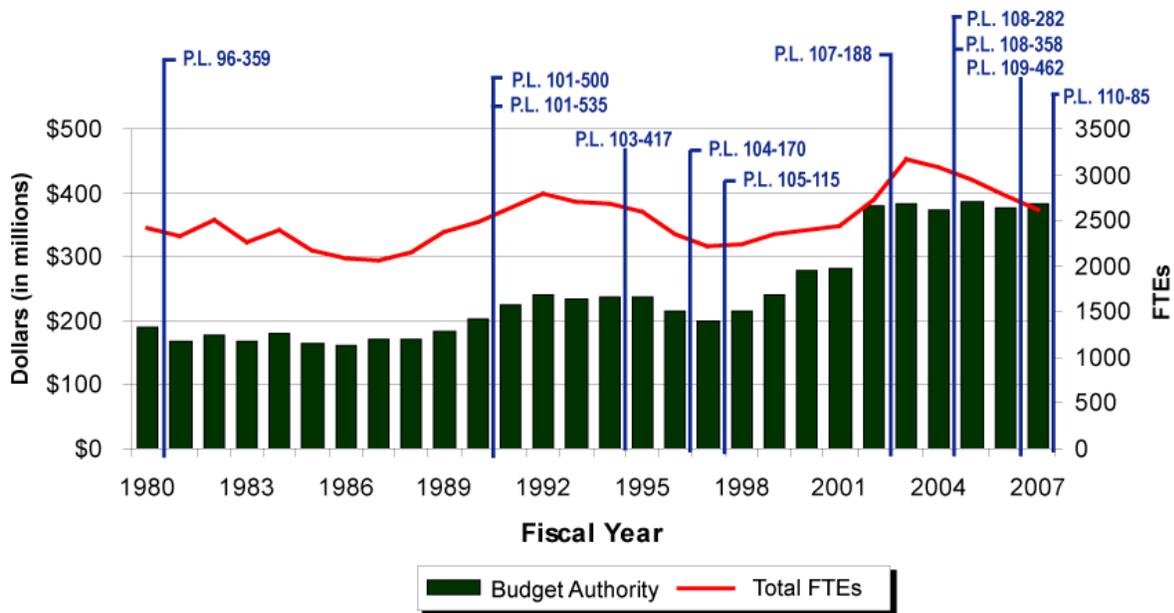
Source: FDA *Justification of Estimates for Appropriations Committees* documents.

Notes: Total FTEs = Budget Authority FTEs + User Fee FTEs. Program Level \$ = Budget Authority \$ + User Fees \$.

Figure 1 shows the 28-year history of the FDA budget and FTEs. Direct congressional appropriations (budget authority) to the agency, adjusted for inflation, doubled over the past quarter century. Over the same time, FDA received a 12-fold increase in other funds, primarily user fees. As a result, the overall FDA budget in FY2007 is 2 ½ times that in FY1980.

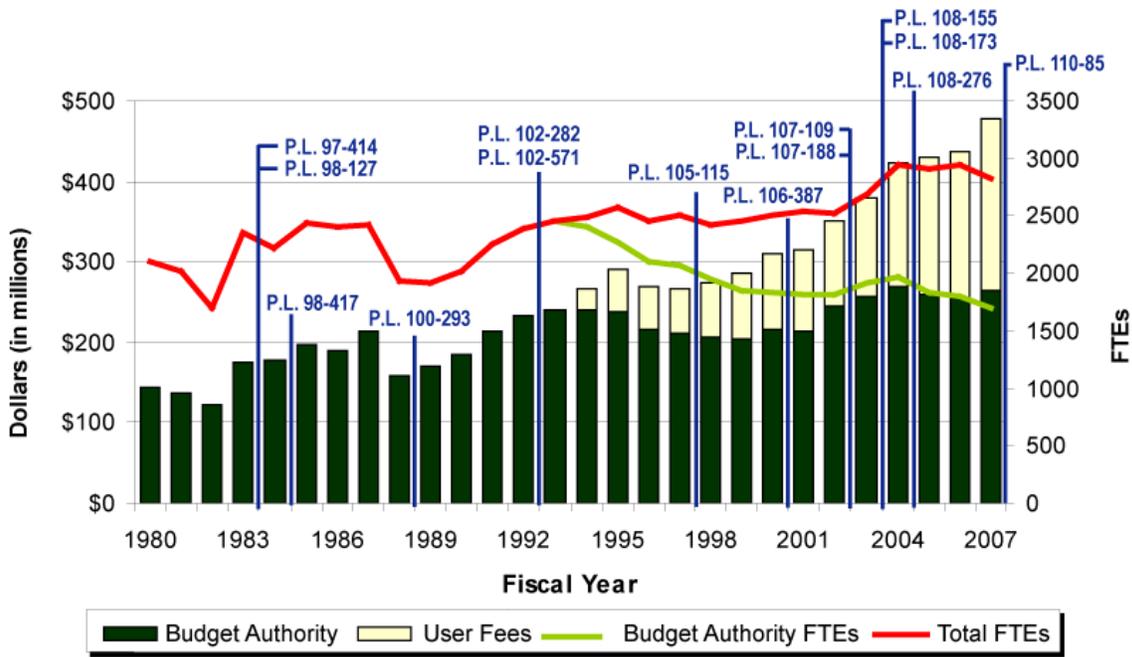
Personnel, measured as full-time equivalent positions—FTEs, reflects a similar impact of user fees. Comparing FY1980 with FY2006, the last year with complete FTE data, budget authority-funded FTEs stayed about the same, and FTEs funded through user fees increased 4-fold. Overall, there was a 19% increase in total FTEs.

In general, direct appropriations have either been kept in line with inflation or gradually increased over time. The exception was in FY2002, when Congress increased direct appropriations to FDA by 23%, in response to the domestic terrorist attacks and the anthrax scare.



Source: FDA *Justification of Estimates for Appropriations Committees* documents.
Notes: Total FTEs = Budget Authority FTEs. Program Level \$ = Budget Authority \$.

Figure 2 shows the FDA's Foods budget and FTEs. Overlaid on the graph are the 11 statutes that added responsibilities to the program since 1980. Funding of the Foods program does not include user fees. The slight budget increase in the early 1990s was in response to the passage of Nutrition Labeling and Education Act and the somewhat larger increase in the late 1990s can be attributable to former President Clinton's food safety initiative. Funding increased markedly following the 2001 domestic terrorist attacks, but since then the Foods budget has remained flat at its higher level.

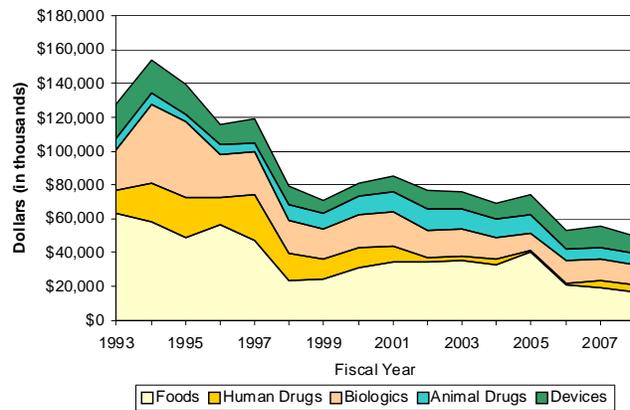


Source: FDA *Justification of Estimates for Appropriations Committees* documents.

Note: Total FTEs = Budget Authority FTEs + User Fee FTEs. Program Level \$ = Budget Authority \$ + User Fees \$.

Figure 3 shows the Human Drugs budget and FTEs, with an overlay of the 14 new statutes adding responsibility to the program. It provides an interesting contrast to the Foods program graph because of the impact of user fees, which primarily support drug review. The apparent increase in FTEs and dollars in FY1983 through FY1987 reflects an agency reorganization that combined Human Drugs and Biologics activities during these five years.

Starting in FY1994, user fees — the upper section of the bars — have become an increasing portion of the overall resources available for Human Drugs, while congressional appropriations remained relatively flat. This figure also shows — with the growing gap between the FTE lines — that the overall increase in Human Drugs personnel is supported by user fees.



Source: RAND Corporation RaDiUS database, November 7, 2007.

FDA conducts a research program that supports its regulatory mission. Figure 4 provides a 15-year history of FDA research spending in the five major activity areas: Foods, Human Drugs, Biologics, Animal Drugs, and Devices. Overall the FDA research budget in FY2007 has declined by about 50 % since FY1993.

Mr. Chairman, that concludes my testimony. My colleagues and I would be pleased to address any questions that you and the Committee may have.