

House Proposes Steep Cuts to USDA Competitive Grants

(This analysis is part of a series of AAAS R&D Funding Updates on the FY 2001 congressional appropriations process. This analysis includes information on R&D in House appropriations for USDA. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D by agency in FY 2001 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/R&D>) in the “FY 2001 R&D” or the “What’s New” sections.)

On May 16, the House Appropriations Committee released its version of the FY 2001 Agriculture appropriations bill, which provides funding for most of the U.S. Department of Agriculture (USDA). [After many delays and several amendments, including amendments to R&D programs, the House approved the bill on July 11. The House bill would provide **\$1.7 billion for USDA R&D in FY 2001, a cut of 2.0 percent or \$36 million, mostly because the House would block a \$120 million mandatory competitive research grants program** (see Table). The House appropriation would be \$97 million less than the President’s request.] Earlier, the Senate Appropriations Committee released its own version of the Agriculture bill. The Senate bill would be far more generous toward USDA R&D and would provide increases for most programs (for details of the Senate bill, see the May 12 AAAS R&D Funding Update).

[Total USDA R&D funding of \$1.7 billion would be \$36 million or 2.0 percent below FY 2000, and even further below the Senate appropriation and the President’s request. While USDA’s intramural research program would stay level, USDA’s extramural research grants would fall dramatically in funding, especially its competitively awarded grants. Major increases would go toward extramural congressionally designated research projects, which would jump 16.2 percent to reach \$74 million in the Special Research Grants program, and R&D in the Forest Service, which would jump 10.4 percent to \$233 million. In addition to the Special Research Grants, in June the President signed into law a crop insurance bill containing \$51 million in FY 2001 funding for other congressionally designated research projects.] (For full details of the President’s request for USDA R&D and full information on USDA R&D programs, see Chapter 13 of *AAAS Report XXV: R&D FY 2001*.)

The House bill would block two mandatory (non-appropriated) grants programs from spending their funds. The **Initiative for Future Agriculture and Food Systems** (IFAFS) was created in June 1998 as a mandatory program to spend \$120 million a year for five years on competitively awarded grants for agricultural research, to be administered by USDA’s Cooperative State Research, Education and Extension Service (CSREES). The Appropriations Committees were upset that this program, created by the House and Senate Agriculture Committees, would take spending decisions on agricultural research out of their jurisdictions, so they blocked USDA from spending the first \$120 million installment of these funds in FY 1999. But because these funds were made available by law for two years, the FY 1999 money became available in FY 2000. USDA earlier this year announced requests for proposals for these funds, and barring further congressional action the first grants should be distributed this summer. Last year, Congress blocked the use of the FY 2000 funds but again only for one year, so USDA anticipates that these FY 2000 funds will become available in October for the second round of grants. Because USDA assumes that FY 1999 and FY 2000 funds will cover spending in FY 2000 and FY 2001, the budget request proposed to defer the FY 2001 funds for a year.

The House bill would block the program from spending any of its funds as soon as the bill is signed into law, which would prevent the use of FY 2000 funds in FY 2001. The Senate bill would block only the FY 2001 funds, which should allow the program to spend its FY 2000 funds next year as planned. (To more accurately reflect when the money would be spent, the Table shows \$120 million in FY 1999 funds in the FY 2000 column and the FY 2000 funds in the FY 2001 columns. The Table assumes that the House bill would block

any spending in FY 2001; if the House provisions become law soon enough, FY 2000 spending could also be blocked.)

Similarly, the Fund for Rural America in the Office of the Secretary was reauthorized last June for five years, but FY 1999 funds were blocked by Congress and became available in FY 2000, while FY 2000 funds were also blocked but would become available in FY 2001. The House bill would block any spending on this program as soon as it is signed into law, while the Senate bill would block FY 2001 funds for this program but would allow other years' funds to be spent. [Total R&D spending in the Office of the Secretary would quadruple over FY 2000, however, because the FY 2001 totals include \$51 million in one-time appropriations for congressionally designated R&D projects signed into law in June as part of the crop insurance bill. These funds will be distributed through the Office of the Secretary.]

Other competitively awarded research grants would fare badly in the House bill. **CSREES** also administers appropriated research grants programs. The **National Research Initiative (NRI)**, the existing competitive research grants program which IFAFS was designed to supplement, would receive only \$97 million, far below \$119 million in FY 2000 and more than a third below the \$150 million request. The Senate would be more generous with a \$121 million appropriation. Instead of competitively awarded grants, the House would direct funds toward **Special Research Grants**, which would receive \$74 million, \$10 million or 16.2 percent more than FY 2000 and \$68 million more than the request. These funds would go to 132 itemized projects, all but six of which are for geographically specific congressionally designated projects. The Senate would provide \$62 million for 129 projects, many of which are the same as in the House bill. The House bill also contains nearly two dozen other congressionally designated projects in other parts of the CSREES budget. Most formula funding programs for academic R&D such as the **Hatch Act** (\$181 million, same as FY 2000) would receive level funding.

[Total CSREES R&D, which includes IFAFS spending, would be \$437 million, down \$101 million or 18.8 percent from FY 2000.] By contrast, the Senate would keep CSREES R&D even with FY 2000 at \$538 million because it would preserve IFAFS funding.

[Agricultural Research Service (ARS) R&D would total \$867 million in FY 2001 in the House bill, a slight increase of 1.6 percent. ARS funds intramural research through a nationwide network of intramural laboratories and agricultural experiment stations. The House bill would provide a 1.6 percent increase for ARS research programs to \$867 million, offset by a \$14 million or 25 percent cut to ARS Buildings and Facilities funding, the same as the request.] The Senate would provide large increases to both accounts for a total ARS appropriation of \$951 million, 5.0 percent more than FY 2000.

[The Agriculture bill passed the full House on July 11 after the House leadership removed a controversial provision that would terminate existing U.S. unilateral agricultural and medical sanctions for several nations, most notably Cuba. Although U.S. farmers generally support the measure, which would allow donations or sales of grain and other food to Cuba, the measure ran into anti-Cuba opposition. The provision may be reinstated in House-Senate conference. The Senate version of the Agriculture bill is scheduled for floor action this month.]

-May 18, 2000 (revised July 11)

AAAS R&D Budget and Policy Program
1200 New York Ave, NW
Washington, DC 20005
(202) 326-6607; -6600
fax (202) 289 4950
science_policy@aaas.org
www.aaas.org/spp/R&D

**Table. U.S. Department of Agriculture
House Action on R&D in the FY 2001 Budget
(budget authority in millions of dollars)**

	FY 2000 Estimate	FY 2001 Request	FY 2001 Senate	Action by House		
				FY 2001 House	Chg. from FY 2000 Amount	Percent
Agricultural Research Service (ARS)						
Programs ¹	853	917	895	867	14	1.6%
Buildings and Facilities	53	39	56	39	-14	-25.8%
Total ARS	906	956	951	906	0	0.0%
Cooperative State Research, Education and Extension Service (CSREES)						
Programs (R&D)	538	523	538	437	-101	-18.8%
<i>National Research Initiative</i>	119	150	121	97	-22	-18.5%
<i>Special Research Grants</i>	64	6	62	74	10	16.2%
<i>Initiative for Future Agri.</i> ²	120	120	120	0	-120	-100.0%
(CSREES Non-R&D Programs)	528	562	547	516	-12	-2.3%
(Total CSREES Budget)	1,066	1,085	1,085	953	-113	-10.6%
Forest Service	211	237	230	233	22	10.4%
Economic Research Service	64	55	67	66	2	3.8%
Agricultural Marketing Service	5	6	6	5	0	0.9%
Foreign Agricultural Service	1	1	1	1	0	0.0%
Nat'l Agricultural Statistics Service	4	4	4	4	0	0.0%
Grain Inspection	3	6	3	3	0	0.0%
Animal & Plant Inspection Service	21	21	21	21	0	0.0%
Office of the Secretary ³	10	15	66	51	41	405.0%
Total USDA R&D	1,763	1,824	1,886	1,727	-36	-2.0%

AAAS estimates based on FY 2001 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2000 and FY 2001 request figures based on OMB R&D data and supplemental agency budget data.

Figures are rounded to the nearest million. Changes calculated from unrounded figures.

¹ Includes spending from trust funds.

² Mandatory (non-appropriated) program of competitive grants for agricultural research.

The House bill would block the obligation of any funds for this program after the enactment of the bill.

³ Fund for Rural America, a mandatory program.

The House bill would block the obligation of any funds for this program after the enactment of the bill.

FY 2001 House and Senate include \$50.5 million in R&D appropriations

already enacted in Public Law 106-224 (HR 2559).

May 18, 2000 (revised July 12, 2000) - House-approved funding levels.

House figures reflect amendments approved on the House floor.

Senate figures are Senate Appropriations Committee-approved funding levels, and may be amended.