

## Congress Boosts USDA R&D, Blocks Competitive Grants

(This analysis is part of a series of AAAS R&D Funding Updates on the FY 2002 congressional appropriations process. This analysis includes information on R&D in final FY 2002 appropriations for the U.S. Department of Agriculture. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D by agency in FY 2002 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/R&D>) in the "FY 2002 R&D" or the "What's New" sections.)

(This update is substantially similar to the November 20 update on USDA appropriations, but the figures and text have been updated to include emergency appropriations for USDA approved in December.)

On November 28, President Bush signed into law the final version of an appropriations bill (HR 2330; Public Law 107-76) providing funding for the U.S. Department of Agriculture (USDA). USDA also received emergency counter-terrorism and domestic security appropriations in a Defense bill that cleared Congress on December 20. Together, the bills provide **\$2.1 billion for USDA's R&D programs, \$180 million or 9.2 percent more than FY 2001, and a substantial \$338 million above the request** (see Table). **The final bill blocks funds for two mandatory competitive research grants programs**, and instead dramatically boosts funding for congressionally designated, geographically specific projects in both USDA's intramural and extramural programs. The emergency funds will boost security at two USDA laboratories and fund research on bioterrorism.

The final Agriculture bill provides \$16.0 billion in discretionary funds for FY 2002, well above the President's request. The total is below the \$18.7 billion funding level for FY 2001 because billions in dollars of FY 2001 natural disaster and other emergency appropriations would not be renewed in FY 2002. (For full details of the President's request for USDA R&D and full information on USDA R&D programs, see Chapter 11 of *AAAS Report XXVI: R&D FY 2002*; for details of House appropriations for USDA R&D, please see the June 29 AAAS R&D Funding Update; for details of Senate appropriations for USDA R&D, please see the July 19 AAAS R&D Funding Update.)

The President's request for USDA R&D of \$1.8 billion, 8.0 percent less than FY 2001 funding levels, called for steep cuts in congressionally designated research projects, mostly for extramural research grants. Both the House and the Senate proposed higher funding levels, mainly by increasing congressionally earmarked projects. The final bill keeps most of the House-proposed and Senate-proposed earmarks and makes offsetting cuts in competitively awarded research grants.

In a reprise of a perennial fight, the House, Senate, and now the final Agriculture bill 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 and extension, 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 have periodically tried to block USDA from spending these funds. Although funding for IFAFS was eventually released in FY 2000 and FY 2001, the final Agriculture bill blocks FY 2002 funds, of which an estimated \$64 million would have gone toward R&D.

Similarly, the Fund for Rural America in the Office of the Secretary was reauthorized two years ago for five years, but Congress has also tried periodically to block these funds for competitively awarded research and extension grants on rural topics. The House, Senate, and final bill block funds for this program, resulting in a cut of \$8 million from planned R&D spending in FY 2002.

Other competitively awarded research grants fare somewhat better in the final Agriculture 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, receives \$120 million, above the FY 2001 and requested level of \$106 million but far short of the amount needed to make up for lost IFAFS funds. Instead of competitively awarded grants, Congress directs funds toward **Special Research Grants**, which receive \$97 million, \$94 million more than the request. The House and Senate would have awarded \$82 million and \$84 million, respectively, for these grants; the final bill funds nearly all of the partially overlapping House and Senate proposed projects. These funds go to 174 itemized projects, all but six of which are for geographically specific congressionally designated projects. The final bill also contains 29 other congressionally designated R&D 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 2001) receive level funding.

**Total CSREES R&D, which includes IFAFS spending, is \$532 million, down \$61 million or 10.3 percent from FY 2001. This amount is still above the request, mostly because of the addition of Special Research Grants funds offsetting the loss of IFAFS funds.**

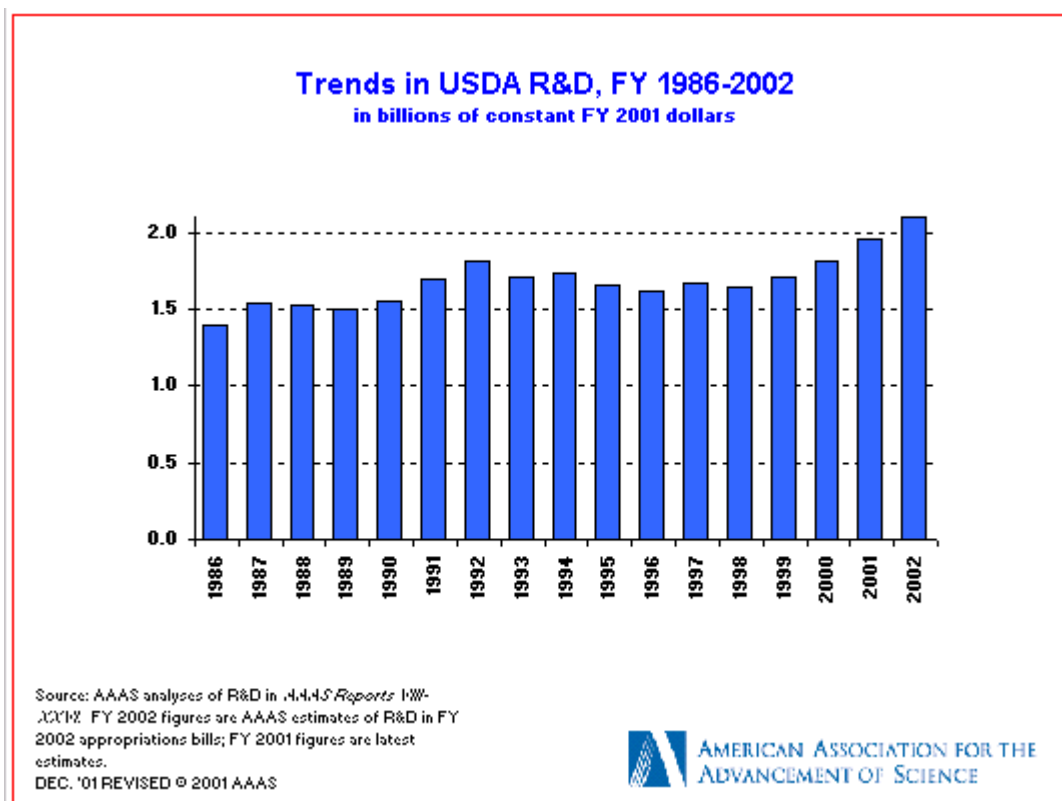


Figure 1. (click on the image to view or download a color, full-page PDF version of the chart)

**Agricultural Research Service (ARS)** R&D totals \$1.2 billion in FY 2002, a substantial increase of 22.0 percent or \$223 million, \$265 million more than the request. ARS funds intramural research through a nationwide network of intramural laboratories and agricultural experiment stations. The Agriculture bill provides a 7.0 percent increase for ARS research programs, mostly for congressionally designated topics, to \$1.0 billion, and a 60.4 percent increase to \$119 million for Buildings and Facilities, but in December the Defense appropriations bill allocated additional emergency funds for ARS programs out of the \$40 billion post-September 11 emergency response fund for domestic security and counter-terrorism activities. The emergency allocation provides \$40 million for ARS research programs related to security or terrorism and \$73 million for Buildings and Facilities. The net result is a 11.2 percent increase in ARS research and a

158.7 percent in Buildings and Facilities. Although USDA requested only \$30 million for Buildings and Facilities, Congress nearly quadrupled the request to fund congressionally designated R&D facilities projects at ARS laboratories. The largest designation is \$40 million for construction and modernization of ARS facilities in Ames, Iowa, devoted to animal research, a facility made famous in recent weeks because of its stocks of anthrax spores for research purposes. Then, in the Defense bill, Congress provided an additional \$50 million for Ames for a new animal bio-containment facility and \$23 million for security upgrades of laboratory facilities at the Plum Island Animal Disease Center in New York.

The **Forest Service (FS)** is funded through the Interior bill, which was signed into law on November 5. The Forest Service funds an extensive program of forest and rangeland research, mostly in FS laboratories, as well as programs in fire science. FY 2002 Forest Service R&D totals \$265 million, an increase of \$19 million or 7.7 percent over FY 2001. The core forest and rangeland research program receive an increase of \$11 million to \$241 million, but Congress also boosted funding dramatically for research aimed at assisting FS efforts in wildland fire management. Fire science funding jumps from an estimated \$15 million to \$24 million.

The FY 2002 increase for R&D continues a trend of increases over the past few years. USDA R&D peaked in FY 1992 and declined for several years before hitting a low in FY 1996 (see Figure 1). Since then, the funding trend has been generally upward, especially in the last four years as the federal budget surplus has made more discretionary funds available to congressional appropriators. In FY 2000 and FY 2001, the release of the IFAFS funding allowed USDA to exceed its early 1990s funding levels; although the IFAFS funds will not be available in FY 2002, the explosion in congressionally designated R&D projects and the last-minute infusion of emergency funds will bring USDA R&D to an all-time high in FY 2002.

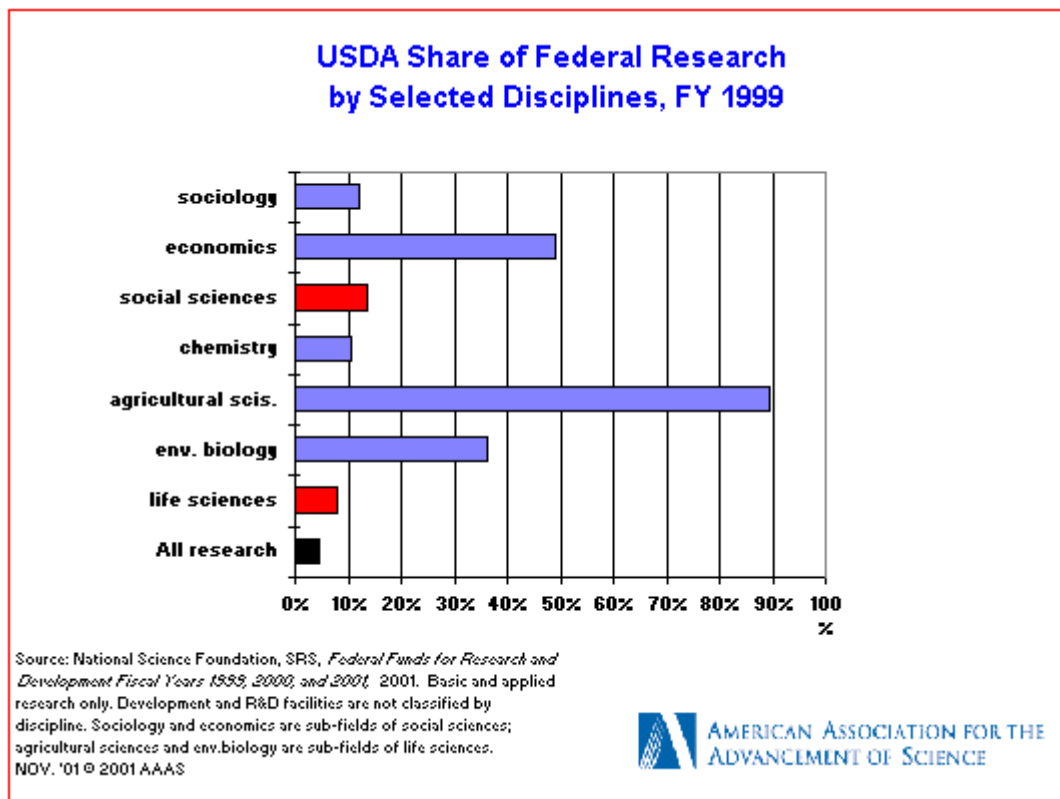


Figure 2.

There have been numerous calls to increase U.S. investments in agricultural R&D to meet the challenges of maintaining U.S. leadership in agriculture and ensuring food safety, but USDA has been stymied in its efforts to increase its investments in research, especially competitively awarded research grants. NRI has

never received more than \$120 million a year despite the original vision of its authorizers of a \$500 million a year program. In response, IFAFS was originally designed and signed into law as a way to increase spending on competitive grants, but the program has endured numerous congressional attempts to block its funding.

USDA is the sixth-largest supporter of R&D in the federal government, and its support is especially important for key disciplines. USDA is responsible for 8 percent of all research support in the broad area of the life sciences, but dominates funding for two disciplines within life sciences, agricultural sciences and environmental biology (see Figure 2). USDA funds 90 percent of all federal support for agricultural research, with the remainder supported by the Agency for International Development (for international agriculture R&D) and the National Oceanic and Atmospheric Administration (for aquaculture and other marine-related R&D). USDA is also an important supporter of chemistry and biology, and represents nearly half of total federal support for economics, mostly for agricultural economics in the Economic Research Service (ERS).

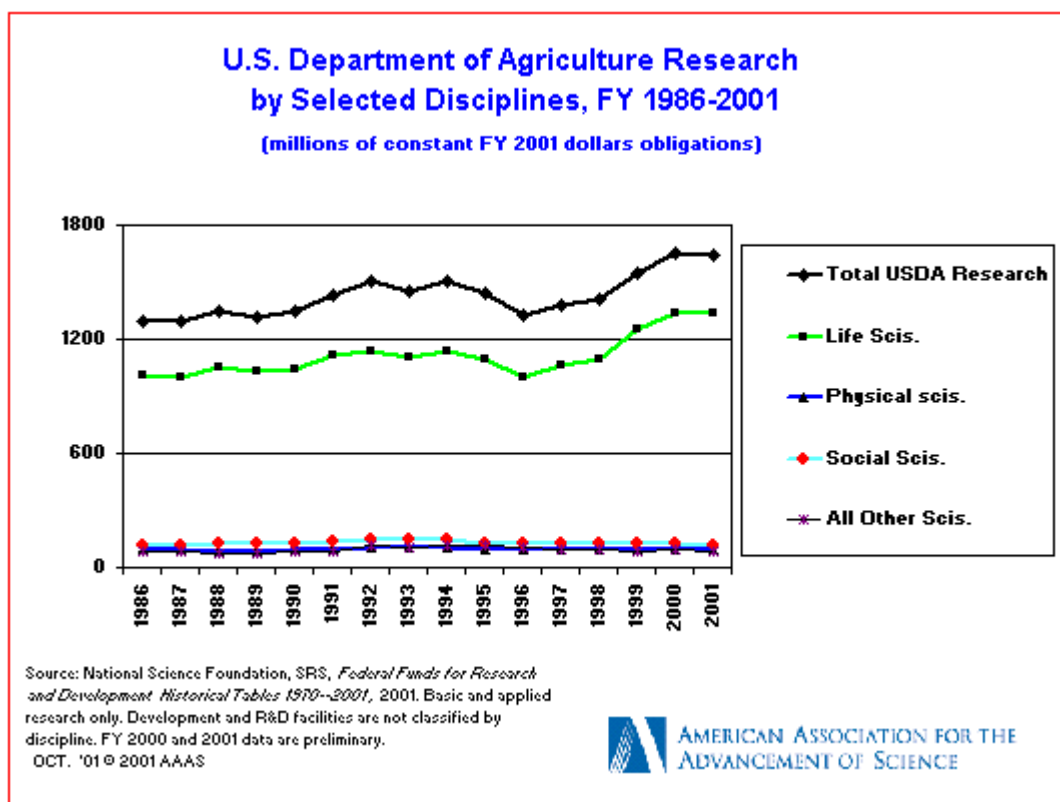


Figure 3.

Figure 3 shows trends in USDA support for research (basic and applied research, excluding development and R&D facilities) in selected disciplines. The agricultural sciences within life sciences make up the majority of USDA research funding, and USDA life sciences support stagnated in the 1990s along with total USDA research. The USDA research portfolio stagnated in FY 2001 and will decline in real terms in FY 2002 because the bulk of the FY 2002 R&D increase would go to ARS facilities funding, while increases in intramural research would be offset by cuts in extramural funding.

President Bush signed the Agriculture bill into law on November 28 (Public Law 107-76), and the Interior bill funding FS into law on November 5 (Public Law 107-63). Congress gave final approval to the Defense bill on December 20, which includes \$113 million in emergency funds for USDA (ARS) out of the \$40 billion post-September 11 emergency response fund.

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**Table. U.S. Department of Agriculture  
Congressional Action on R&D in the FY 2002 Budget  
(budget authority in millions of dollars)**

	FY 2001 Estimate	FY 2002 Request	Action by Congress				
			<b>FY 2002 Approved</b>	Chg. from Request Amount	Percent	Chg. from FY 2001 Amount	Percent
<b>Agricultural Research Service (ARS)</b>							
Programs <sup>1</sup>	937	939	<b>1,042</b>	104	11.1%	105	11.2%
Buildings and Facilities <sup>2</sup>	74	30	<b>192</b>	162	530.3%	118	158.7%
<b>Total ARS</b>	<b>1,012</b>	<b>969</b>	<b>1,234</b>	<b>265</b>	<b>27.4%</b>	<b>223</b>	<b>22.0%</b>
<b>Cooperative State Research, Education and Extension Service (CSREES)</b>							
Programs (R&D)	594	468	<b>532</b>	64	13.7%	-61	-10.3%
<i>National Research Initiative</i>	106	106	<b>120</b>	15	13.9%	15	13.9%
<i>Special Research Grants</i>	85	3	<b>97</b>	94	3421.2%	12	13.5%
<i>Hatch Act</i>	180	180	<b>180</b>	0	0.0%	0	0.0%
<i>Integrated Grants</i>	19	19	<b>19</b>	0	2.4%	0	2.4%
<i>Initiative for Future Agri.</i> <sup>3</sup>	64	64	<b>0</b>	-64	-100.0%	-64	-100.0%
<i>(CSREES Non-R&amp;D Programs)</i>	<i>540</i>	<i>521</i>	<i><b>499</b></i>	<i>-22</i>	<i>-4.2%</i>	<i>-41</i>	<i>-7.6%</i>
<i>(Total CSREES Budget)</i>	<i>1,134</i>	<i>990</i>	<i><b>1,031</b></i>	<i>42</i>	<i>4.2%</i>	<i>-102</i>	<i>-9.0%</i>
Forest Service	246	250	<b>265</b>	15	6.1%	19	7.7%
Economic Research Service	66	67	<b>67</b>	0	0.3%	1	1.8%
Agricultural Marketing Service	5	5	<b>5</b>	0	0.0%	0	0.0%
Foreign Agricultural Service	1	1	<b>1</b>	0	0.0%	0	0.0%
Nat'l Agricultural Statistics Service	4	4	<b>4</b>	0	0.0%	0	0.0%
Grain Inspection	5	6	<b>6</b>	0	0.0%	1	20.0%
Animal & Plant Inspection Service	22	23	<b>24</b>	1	4.1%	2	8.8%
Office of the Secretary <sup>4</sup>	5	8	<b>0</b>	-8	-100.0%	-5	-100.0%
<b>Total USDA R&amp;D</b>	<b>1,959</b>	<b>1,801</b>	<b>2,139</b>	<b>338</b>	<b>18.8%</b>	<b>180</b>	<b>9.2%</b>

AAAS estimates based on FY 2002 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2001 and FY 2002 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.

<sup>1</sup> Includes spending from trust funds.

<sup>2</sup> Includes repair and maintenance funded through the Programs account.

<sup>3</sup> Mandatory (non-appropriated) program of competitive grants for agricultural research.

Public Law 105-185 created a \$120 million mandatory program of competitive grants for agricultural research from FY 1999 to FY 2003. Table shows R&D portions of the IFAFS program.

The final FY 2002 Agriculture bill (Public Law 107-76) blocks FY 2002 spending.

<sup>4</sup> Mandatory spending from the Fund for Rural America. R&D portion only.

The final FY 2002 Agriculture bill (Public Law 107-76) blocks FY 2002 spending.

FY 2001 ARS and CSREES figures include mandatory R&D funds appropriated in Public Law 106-224.

**December 26, 2001 - Based on enacted FY 2002 appropriations bills.**

**Includes emergency appropriations for counterterrorism and national security.**