

House, Senate Appropriators Trim USDA R&D; Special Research Grants Grow

(This analysis is part of a series of AAAS R&D Funding Updates on the FY 2003 congressional appropriations process. This analysis includes information on R&D in House and Senate 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 2003 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the “FY 2003 R&D” or the “What’s New” sections.)

In separate actions in July, the House and Senate Appropriations Committees approved their respective versions of the FY 2003 Agriculture appropriations bill (HR 5263; S 2801), which provides funding for most of the U.S. Department of Agriculture (USDA). While both the House and the Senate versions are more generous than the Bush Administration’s FY 2003 request, each would result in a slight decrease for USDA R&D when compared to FY 2002 levels. **The House bill would provide \$2.1 billion for USDA R&D (a reduction of \$175 million or 7.6 percent) while the Senate bill would provide \$2.3 billion (a decrease of \$59 million or 2.6 percent;** see Table). These bills now await consideration by the full House and Senate when their members return from recess after Labor Day.

The overall House Agriculture bill would provide \$17.6 billion in discretionary funds for FY 2003, \$180 million more than the President’s request; the Senate bill would provide \$18.0 billion in FY 2003 discretionary funds, some \$580 million more than the Bush Administration’s request. It should be noted, however, that these totals include the Animal and Plant Health Inspection Service (APHIS), slated to be transferred to the proposed Department of Homeland Security. If and when this transfer is completed, the USDA’s discretionary budget would decrease by some \$735 million (roughly \$28 to \$29 million of which would be R&D), based upon the APHIS appropriations levels recommended in the House and Senate bills. (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 XXVII: R&D FY 2003*.) (For an analysis of the R&D implications of the proposed Department of Homeland Security, see the AAAS R&D Web Site [URL above].)

In a reprise of a perennial fight, both the House and Senate bills would block a mandatory (non-appropriated) grants program from spending its 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 and have periodically blocked USDA from spending these funds. Both the House and Senate Agriculture bills would go along with the request and block the availability of FY 2003 funds, just as the FY 2002 funds were blocked. The Senate, however, would put \$60 million in the CSREES Integrated Grants account for competitive grants under this program using discretionary funds. Another mandatory grants program, the Fund for Rural America in the Office of the Secretary, would have provided funds for R&D in FY 2003 but the program was repealed in this spring’s farm bill.

Other competitively awarded research grants would fare better in the House and Senate bills. **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 \$130 million in the House bill and \$164 million in the Senate version, both above the FY 2002 level of \$120 million. Curiously, these levels are well below the \$240 million NRI request of the Bush Administration. The puzzle is solved, however, upon realizing the congressional preference for projects with visible district- and state-specific benefits. Instead of competitively awarded grants, the House and the Senate would direct funds toward **Special Research Grants**, which would receive \$103 million in the House bill and \$104 million in

its Senate counterpart, up slightly from the FY 2002 level of \$97 million and up dramatically from the presidential request of \$3 million. The House bill would provide funds for 158 itemized projects, all but seven of which are for geographically specific congressionally designated projects; the Senate version would channel funds to 177 such projects, with the same seven being the only projects not geographically earmarked. Moreover, both the House and Senate bills contain two dozen other geographically designated projects in other parts of the CSREES budget. Most formula funding programs for academic R&D such as the **Hatch Act** (\$182 million in the House version and \$186 million in the Senate bill) would see slight increases in funding.

Total CSREES R&D would be \$586 million in the House bill and \$651 million in the Senate bill, the Senate total being a sizable 17.5 percent increase from the FY 2002 level. This difference arises largely from the more generous Senate treatment of NRI mentioned above and the more generous Senate treatment of CSREES Integrated Grants.

Agricultural Research Service (ARS) R&D would total \$1.1 billion in FY 2003 in the House bill and \$1.2 billion in the Senate bill, both increases from the presidential request but also both decreases from the FY 2002 level. However, these decreases are due primarily to a sharp decline in the Buildings and Facilities account, FY 2002 being a flush year for this account because of emergency appropriations to beef up laboratory security after the September 11 and anthrax attacks. Just last week (August 2), these funds were increased by an additional \$25 million in the FY 2002 supplemental appropriations bill (HR 4775). The House would provide \$95 million and the Senate \$101 million for ARS Buildings and Facilities, up sharply from the \$17 million request.

ARS funds intramural research through a nationwide network of intramural laboratories and agricultural experiment stations, including research on congressionally designated topics. The House bill would decrease ARS research programs by 7.7 percent to \$1.0 billion, while the Senate bill would decrease ARS research by a more modest 2.5 percent to \$1.1 billion.

The **Forest Service (FS)**, funded through the Interior bill, would also see decreases from the FY 2002 level. The Forest Service funds an extensive program of forest and rangeland research, mostly in FS laboratories, as well as programs in fire science. FY 2003 Forest Service R&D would total \$302 million under the House Interior bill, a decrease of \$13 million or 4.0 percent from FY 2002. Under the Senate Interior bill, Forest Service R&D would total \$298 million, a decline of \$17 million or 5.4 percent. It should also be noted that the FY 2002 supplemental appropriations bill provided for an additional \$5.0 million in FY 2002 Forest Service R&D, specifically designated for fire management research.

The House and Senate are scheduled to take up their respective versions of the Agriculture bill in September. It is unclear whether a House-Senate conference can be completed in time for the October 1 start of FY 2003 because of the crush of legislative business scheduled for September. The Interior bill, which funds the Forest Service, has cleared the House but has not yet cleared the Senate.

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**Table. U.S. Department of Agriculture
Senate Appropriations Committee Action on R&D in the FY 2003 Budget
(budget authority in millions of dollars)**

	FY 2002 Estimate	FY 2003 Request	FY 2003 House	Action by Senate				
				FY 2003 Senate	Chg. from Request	Chg. from Request	Chg. from Request	Chg. from Request
				Amount	Percent	Amount	Percent	
Agricultural Research Service (ARS)								
Programs ¹	1,123	1,067	1,037	1,096	29	2.7%	-28	-2.5%
Buildings and Facilities	217	17	95	101	84	508.9%	-116	-53.5%
Total ARS	1,340	1,083	1,132	1,197	113	10.5%	-144	-10.7%
Cooperative State Research, Education and Extension Service (CSREES)								
Programs (R&D)	554	564	586	651	87	15.4%	97	17.5%
<i>National Research Initiative</i>	120	240	130	164	-76	-31.7%	44	36.1%
<i>Special Research Grants</i>	97	3	103	104	101	3019.8%	7	7.4%
<i>Hatch Act</i>	180	180	182	186	5	3.0%	5	3.0%
<i>Integrated Grants</i>	18	19	21	47	27	141.2%	28	155.1%
<i>Initiative for Future Agri.</i> ²	0	0	0	0	0	--	0	--
<i>(CSREES Non-R&D Programs)</i>	<i>477</i>	<i>460</i>	<i>485</i>	<i>529</i>	<i>69</i>	<i>14.9%</i>	<i>52</i>	<i>10.8%</i>
<i>(Total CSREES Budget)</i>	<i>1,031</i>	<i>1,025</i>	<i>1,071</i>	<i>1,180</i>	<i>155</i>	<i>15.2%</i>	<i>149</i>	<i>14.4%</i>
Forest Service	315	283	302	298	15	5.3%	-17	-5.4%
Economic Research Service	70	82	76	69	-14	-16.4%	-1	-2.1%
Agricultural Marketing Service	5	6	6	6	0	0.0%	1	20.0%
Foreign Agricultural Service	1	2	2	2	0	0.0%	1	100.0%
Nat'l Agricultural Statistics Service	4	4	4	4	0	0.0%	0	0.0%
Grain Inspection	6	7	8	7	0	0.0%	1	16.7%
Animal & Plant Inspection Service	25	29	29	28	-1	-2.5%	3	13.1%
Office of the Secretary ³	0	0	0	0	0	--	0	--
Total USDA R&D	2,321	2,061	2,145	2,262	201	9.8%	-59	-2.6%

AAAS estimates based on FY 2003 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2002 figures adjusted to reflect supplemental appropriations in the FY 2002 supplemental bill (Public Law 107-206).

FY 2002 and FY 2003 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.

All figures adjusted to exclude President's proposal to fully fund federal retiree costs, and therefore differ slightly from figures presented in *AAAS Report XXVII*.

¹ Includes spending from trust funds.

² 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. Public Law 107-76 blocks FY 2002 spending; the FY 2003 request and the FY 2003 House and Senate bills block FY 2003 spending.

³ Mandatory spending from the Fund for Rural America. R&D portion only.

Public Law 107-76 blocks FY 2002 spending; the program was repealed in Public Law 107-171.

August 12, 2002 - House and Senate Appropriations Committee-approved funding levels.

These funding levels may be amended or rejected on the House or Senate floors.