



AAAS R&D Funding Update July 10, 2003 -

USDA R&D Falls 10 Percent in House Plan, Competitive Grants Decline

Highlights

- **The U.S. Department of Agriculture's (USDA) R&D would fall 10.0 percent or \$227 million in the House Agriculture bill to \$2.1 billion in FY 2004, primarily because of steep cuts to research facilities funding (see Table).**

- The House would add \$107 million to the Administration's request, but would still fall \$227 million short of the FY 2003 funding level.

- **Although USDA requested \$200 million for the National Research Initiative of competitively awarded extramural research grants, the House would provide only \$149 million, \$51 million less than the request and \$17 million less than FY 2003.**

- The House would provide \$101 million for the congressionally earmarked Special Research Grants, \$10 million less than this year's funding level but \$98 million more than the request.

Recently, the House Appropriations Committee approved an FY 2004 Agriculture appropriations bill (HR 2673), which provides funding for most of the U.S. Department of Agriculture (USDA). While the bill would be more generous to USDA than the Bush Administration's FY 2004 request, the **House would cut \$227 million or 10.0 percent from the USDA R&D portfolio for a total of \$2.1 billion (see Table)**. The cuts would be concentrated in USDA's intramural Buildings and Facilities account, which totals only \$36 million in the House plan compared to \$229 million in FY 2003. The FY 2003 total includes a \$110 million one-time emergency appropriation to USDA's Ames laboratory in April's FY 2003 Iraq war supplemental (Public Law 108-11), as well as other one-time funding that would not be renewed. The Buildings and Facilities cut accounts for 87 percent of the total House cut; excluding Buildings and Facilities, USDA R&D would decline by a far smaller but still significant 1.6 percent.

Since the terrorist attacks of fall 2001, congressional attention has been focused on the vulnerability of USDA agricultural research facilities, many of which house dangerous pathogens, to terrorist attack. Congress has provided extra funds to beef up security at USDA labs, particularly the Ames laboratory in Iowa and Plum Island in New York (recently transferred to the Department of Homeland Security). Funding for the Buildings and Facilities account, which funds construction and modernization of USDA facilities, jumped from \$74 million in FY 2001 before the terrorist attacks to \$190 million in FY 2002 and \$229 million in FY 2003; funding for both years includes one-time emergency appropriations specifically geared to counter-terrorism security upgrades. Without these emergency funds, the FY 2004 request would reduce the B&F account down to \$24 million for mostly routine security upgrades. The House would add \$12 million for congressionally designated projects for a total of \$36 million, down \$193 million from the current FY 2003 funding level.

The House would add funds to the request for USDA's intramural research activities in the Agricultural Research Service (ARS). 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 3.0 percent to \$1.0 billion, but this would be \$27 million more than the USDA request.

The overall House Agriculture bill would provide \$17.0 billion in discretionary funds for FY 2004, \$136 million less than the President's request and nearly \$1 billion less than the FY 2003 funding level excluding emergency appropriations. Because of the tight allocation for the overall Agriculture bill, the House was not able to give USDA R&D programs an overall increase, although it did manage to rearrange priorities to add funds to the President's request. The request would reduce USDA R&D by more than 15 percent below the FY 2003 funding level; even excluding the reduction in facilities, the request would cut all other USDA R&D by 6.3 percent below FY 2003. (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 XXVIII: R&D FY 2004*.)

USDA's extramural research grants, nearly entirely to colleges and universities, are administered by USDA's Cooperative State Research, Education and Extension Service (CSREES). **Total CSREES R&D would be \$596 million in the House bill, a 1.9 percent cut from the FY 2003 level though an improvement over a steeper 14 percent cut in the request. The difference comes mainly from the insertion of numerous congressionally designated projects in the House bill, projects that the Administration would terminate.** The House would provide \$101 million for **Special Research Grants**, down slightly from the FY 2003 level of \$112 million but up dramatically from the presidential request of \$3 million. This program has traditionally been home to congressionally designated, performer-specific research projects. The House bill would provide funds for 161 itemized projects, all but two of which are for geographically specific congressionally designated projects. Moreover, the House bill contains two dozen other geographically designated projects in other parts of the CSREES budget.

In order to offset the add-ons for congressionally earmarks, the House would trim funds from the request for competitively awarded research grants, also administered by CSREES. The **National Research Initiative (NRI)** would receive \$149 million in the House bill, below the \$166 million current funding level and well below the \$200 million request. There would also be \$40 million worth of competitively awarded research grants in the Integrated Grants account, the same level as FY 2003 and the FY 2004 request. The remainder of CSREES R&D is mostly formula funding for university R&D in programs such as the **Hatch Act** (\$180 million in the House), which would see slight increases in funding.

Next Steps

The House may take up the Agriculture bill the week of July 14. The full House is expected to approve it with little controversy. The Senate is scheduled to draft its version of the Agriculture bill this month.

(This analysis is one of a series of AAAS R&D Funding Updates on the FY 2004 congressional appropriations process. This analysis includes information on R&D in House 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 2004 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the "FY 2004 R&D" or the "What's New" sections.)

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**Table. U.S. Department of Agriculture
House Appropriations Committee Action on R&D in the FY 2004 Budget
(budget authority in millions of dollars)**

	FY 2003 Estimate *	FY 2004 Request	Action by House				
			FY 2004 House	Chg. from Request Amount	Percent	Chg. from FY 2003 Amount	Percent
Agricultural Research Service (ARS)							
Salaries and Expenses	1,046	987	1,014	27	2.7%	-32	-3.0%
Trust Funds	20	23	23	0	0.0%	3	15.0%
Buildings and Facilities *	229	24	36	12	49.6%	-193	-84.3%
Total ARS	1,294	1,034	1,073	39	3.8%	-222	-17.1%
Cooperative State Research, Education and Extension Service (CSREES)							
Programs (R&D)	608	524	596	72	13.8%	-12	-1.9%
<i>National Research Initiative</i>	166	200	149	-51	-25.4%	-17	-10.1%
<i>Special Research Grants</i>	112	3	101	98	2930.3%	-10	-9.2%
<i>Hatch Act</i>	179	180	180	0	0.0%	1	0.7%
<i>Integrated Grants</i>	46	63	63	0	0.1%	17	35.5%
<i>(CSREES Non-R&D Programs)</i>	516	488	512	24	4.9%	-4	-0.8%
<i>(Total CSREES Budget)</i>	1,124	1,012	1,108	96	9.5%	-16	-1.4%
Forest Service **	265	268	268	0	0.0%	3	1.0%
Economic Research Service	69	77	71	-6	-7.3%	3	4.0%
Agricultural Marketing Service	6	6	6	0	0.0%	0	2.4%
Foreign Agricultural Service	2	2	2	0	0.0%	0	0.0%
Nat'l Agricultural Statistics Service	4	4	4	0	0.0%	0	0.0%
Grain Inspection	7	7	7	0	0.0%	0	0.0%
Animal & Plant Inspection Service	21	21	22	1	5.2%	1	4.6%
Total USDA R&D	2,276	1,943	2,050	107	5.5%	-227	-10.0%

AAAS estimates based on FY 2004 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2003 and FY 2004 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.

* FY 2003 figures include supplementals enacted in Public Law 108-11 for ARS Buildings and Facilities.

** Funded in the Interior appropriations bill, which has not been reported in the House.

FY 2004 House figure is President's request.

July 10, 2003 - House Appropriations Committee-approved funding levels.

These figures may be amended or rejected by the full House.