

Highlights

The President's fiscal year (FY) 2001 budget projects a string of surpluses for the next decade, and sets forth a plan to pay off the national debt by 2013 while still providing expanded Medicare coverage and real increases in discretionary spending, the part of the federal budget out of which nearly all federal support for research and development (R&D) is funded. As a result, there would be increases for many R&D programs.

- The request for total federal R&D in FY 2001 is \$85.4 billion, \$2.1 billion or 2.5 percent more than FY 2000 (see Chapter 1 and Table II-1).
- For the second year in a row, the budget requests more for nondefense R&D than defense R&D. Nondefense R&D would increase by 6.6 percent to \$43.4 billion, or 50.9 percent of total R&D (see Table I-4 and Chapter 4). The increase would be ahead of the expected 2.0 percent inflation rate. Defense R&D would fall \$602 million to \$42.0 billion, a decline of 1.4 percent.
- The budget places a high priority on a balanced allocation of resources among science and engineering disciplines. Although a series of large increases for the National Institutes of Health (NIH) has resulted in an emphasis on biomedical and life sciences research in recent years, the FY 2001 budget proposes large increases for R&D programs in non-life sciences disciplines. Every major R&D funding agency would receive an increase except the Department of Defense (DOD). (See Chapters 8 through 14, and Tables II-1 through II-18.)
- The centerpiece of the request is the National Science Foundation (NSF), whose R&D budget would increase 19.8 percent to \$3.4 billion, with the increase spread across the breadth of its research portfolio (see Table II-7 and Chapter 9).
- The FY 2001 budget packages many of the proposed increases for R&D in new or existing multi-agency initiatives organized

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around a common theme (see Table I-10), including a new initiative on nanotechnology (\$495 million; up 83.3 percent) and existing initiatives in information technology (\$2.3 billion; up 34.5 percent) and global change (\$1.7 billion; up 2.3 percent).

- The AAAS analysis of the outyear projections in the FY 2001 budget shows that nondefense R&D would increase from \$40.8 billion in FY 2000 to \$46.5 billion in FY 2005, a 3.4 percent gain after adjusting for expected inflation (see Table I-15 and Chapter 4). Defense R&D would fall 13.7 percent in inflation-adjusted terms, even as total defense spending would rise.
- Basic research is a high priority for the Clinton Administration. Basic research would total \$20.3 billion (up 6.8 percent), following an even larger increase in FY 2000. Unlike in FY 2000 appropriations, however, when the bulk of the increase went to National Institutes of Health (NIH) basic research in the life sciences, the FY 2001 request would increase support across the broad range of science and engineering disciplines (see Chapter 4 and Table II-1).
- Because the majority of federally funded basic research is performed by colleges and universities, the budget's emphasis on basic research would result in increases for federal support for R&D at colleges and universities (up 7.6 percent to \$18.1 billion). The largest sponsor of academic research would continue to be NIH with \$10.9 billion (up 6.1 percent; see Chapter 4 and Tables I-7 and I-8).
- Industry support for R&D continues to grow far faster than federal R&D or the U.S. economy as a whole. U.S. industry-funded R&D is expected to increase by 10.5 percent in 2000, following similar increases in the past four years. Total U.S. R&D is expected to reach \$266 billion in 2000 (see Chapter 5).
- NIH, recipient of \$2 billion increases in FY 1999 and FY 2000, would increase by a smaller but still substantial \$1 billion or 5.6 percent in FY 2001 for a total budget of \$18.8 billion (see Table II-9 and Chapter 10).