

**AAAS Analysis. Projected Effects of President's FY 1997 Budget Outyear Projections on Nondefense R&D - Adjusted for OMB's July 1996 Mid-Session Review**

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(all figures in millions of dollars budget authority)

The President's FY 1997 Budget sets out a plan to balance the federal budget by fiscal year 2002. Included in the budget are detailed outyear projections by budget account up to 2002. The President's budget balances according to Office of Management and Budget (OMB) forecasts, but it does not balance according to spring 1996 CBO forecasts. This table calculates the effect of the President's detailed proposals for discretionary spending on nondefense R&D. The methodology used in this analysis is identical to the July 1995 AAAS analysis *Projected Effects of Congressional Budget Resolution on Nondefense R&D*. FY 1995 R&D figures are before rescissions enacted in 1995. FY 1996 and 1997 figures represent the latest AAAS estimates of R&D. FY 1998-2002 figures are estimates based on the outyear budget account projections. The President has committed to presenting a CBO-certified balanced budget. In a May version of this analysis, AAAS adjusted the outyear projections to reflect CBO's spring 1996 economic assumptions, in accordance with procedures outlined in the President's March budget. The President's July 1996 *Mid-Session Review* of the budget outlines a different mix of revenue increases and undistributed cuts to discretionary spending to bring the budget into balance according to CBO's spring 1996 assumptions. The additional cuts to discretionary spending in FY 2001 and 2002 totals have been allocated proportionally among all defense and nondefense discretionary accounts.

Agency/Program	KEY	R&D* FY 1995 original	R&D FY 1996 est.	R&D FY 1997 request	R&D FY 1998 est.	R&D FY 1999 est.	R&D FY 2000 est.	R&D FY 2001 est. ***	R&D FY 2002 est. ***	R&D** FY 2002 constant \$	constant \$ difference 1995-2002
NIH	1	10,840	11,443	11,901	11,901	11,901	11,901	11,781	11,556	9,933	-8.4%
Agcy. Health Care Policy	1	139	65	84	77	70	63	69	75	65	-53.2%
CDC	1,13	318	323	361	327	298	268	295	320	275	-13.4%
FDA	1	206	170	170	156	142	128	141	153	132	-36.2%
Other HHS R&D	2	187	90	118	118	118	118	113	108	93	-50.3%
<b>Total HHS R&amp;D</b>		<b>11,690</b>	<b>12,091</b>	<b>12,633</b>	<b>12,579</b>	<b>12,528</b>	<b>12,477</b>	<b>12,398</b>	<b>12,213</b>	<b>10,498</b>	<b>-10.2%</b>
NASA Human Space Flt	1	1,902	1,876	1,817	1,722	1,623	1,523	1,605	1,680	1,444	-24.1%
NASA SAT Space R&D	1	5,072	5,083	5,004	4,787	4,592	4,394	4,581	4,745	4,078	-19.6%
NASA Mission Support	1	1,619	1,612	1,679	1,545	1,406	1,265	1,389	1,510	1,298	-19.8%
NASA SAT Aeronautics	1	882	846	858	855	823	790	814	833	716	-18.8%
NASA Wind Tunnels	3	400	0	0	0	0	0	0	0	0	-100.0%
NASA Allowance	1	0	0	342	0	0	0	0	0	0	--
<b>Total NASA R&amp;D</b>		<b>9,875</b>	<b>9,416</b>	<b>9,700</b>	<b>8,908</b>	<b>8,443</b>	<b>7,972</b>	<b>8,389</b>	<b>8,768</b>	<b>7,537</b>	<b>-23.7%</b>
General Science (Physics)	1	974	972	998	918	835	751	825	898	772	-20.7%
Energy Supply R&D	1	2,210	1,811	1,935	1,859	1,781	1,700	1,782	1,855	1,594	-27.8%
Fossil Energy R&D	1	350	333	271	249	227	204	225	244	210	-40.1%
Energy Conservation R&D	1	396	309	445	458	470	484	479	470	404	2.1%
Clean Coal Technology	1	37	150	0	313	0	0	0	0	0	-100.0%
Uranium Enrichment	1	3	3	1	1	1	1	1	1	1	-72.8%
DOE allowance	1	0	0	216	0	0	0	0	0	0	--
<b>Total DOE nondef R&amp;D</b>		<b>3,969</b>	<b>3,577</b>	<b>3,866</b>	<b>3,798</b>	<b>3,314</b>	<b>3,141</b>	<b>3,311</b>	<b>3,467</b>	<b>2,980</b>	<b>-24.9%</b>

(continued)

Agency/Program	KEY	R&D* FY 1995 original	R&D FY 1996 est.	R&D FY 1997 request	R&D FY 1998 est.	R&D FY 1999 est.	R&D FY 2000 est.	R&D FY 2001 est. ***	R&D FY 2002 est. ***	R&D** FY 2002 constant \$	constant \$ difference 1995-2002
Res. & Related Activities	1	2,061	2,138	2,289	2,295	2,301	2,307	2,283	2,241	1,926	-6.5%
Academic Research Infra.	1	250	100	0	0	0	0	0	0	0	-100.0%
Major Res. Equipment	1	126	70	95	95	95	95	94	92	79	-37.3%
R&D in Edu. and Hum. Res.	1	107	93	95	95	95	95	94	92	79	-25.9%
<b>Total NSF R&amp;D</b>		<b>2,544</b>	<b>2,401</b>	<b>2,479</b>	<b>2,485</b>	<b>2,491</b>	<b>2,497</b>	<b>2,472</b>	<b>2,425</b>	<b>2,084</b>	<b>-18.1%</b>
Agri Research Serv.	1	752	702	766	707	646	585	638	691	594	-21.0%
CSREES	1	489	452	403	372	339	305	335	362	312	-36.3%
Economics Research Serv.	1	54	53	55	51	46	42	45	50	43	-20.3%
Natl Agric. Stats Service	4	4	4	4	4	4	4	4	4	3	-12.2%
Foreign Agricultural Serv	4	1	1	1	1	1	1	1	1	1	-30.4%
Forest Service	1	204	181	183	171	160	147	158	167	144	-29.5%
Other USDA R&D	4	36	32	32	32	32	32	31	29	25	-29.5%
<b>Total USDA R&amp;D</b>		<b>1,540</b>	<b>1,425</b>	<b>1,444</b>	<b>1,337</b>	<b>1,228</b>	<b>1,116</b>	<b>1,212</b>	<b>1,305</b>	<b>1,121</b>	<b>-27.2%</b>
USGS (incl NBS)	1	535	516	531	498	464	431	459	486	418	-21.9%
Bureau of Mines	5	103	56	0	0	0	0	0	0	0	-100.0%
Nat'l Park Service	4	19	12	12	12	12	12	12	11	9	-50.1%
Other Interior R&D	4	30	38	37	37	37	37	36	34	29	-1.6%
<b>Total Interior R&amp;D</b>		<b>686</b>	<b>622</b>	<b>580</b>	<b>547</b>	<b>513</b>	<b>480</b>	<b>506</b>	<b>531</b>	<b>457</b>	<b>-33.4%</b>
FHWA (Highway Admin)	4	277	256	306	306	306	306	295	281	242	-12.6%
Federal Transit Admin.	1	21	16	15	13	12	11	12	13	11	-44.7%
Maritime Admin.	4	3	0	2	2	2	2	2	2	2	-41.5%
Federal Railroad Admin.	6	28	30	28	25	23	21	22	24	21	-24.3%
Federal Aviation Admin.	7	292	233	241	225	209	193	205	218	187	-35.9%
Other Transportation R&D	4	68	66	80	80	80	80	77	73	63	-7.0%
<b>Total DOT R&amp;D</b>		<b>687</b>	<b>602</b>	<b>671</b>	<b>651</b>	<b>632</b>	<b>612</b>	<b>613</b>	<b>612</b>	<b>526</b>	<b>-23.5%</b>
NOAA R&D Facils.	4	38	11	9	9	9	9	8	8	7	-82.1%
NOAA Operations, Res & Facils R&D	1	531	508	542	577	579	574	550	534	459	-13.5%
Other NOAA R&D	8	19	17	17	15	15	15	14	14	12	-36.3%
NIST Sci & Technical Res Service	1	214	208	218	218	218	218	216	212	182	-15.0%

(continued)

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(DOC continued)											
NIST ATP	1	409	208	324	331	338	345	342	336	289	-29.4%
NIST Construction	1	63	-15	105	97	88	79	87	95	82	29.4%
Econ. Develop. Admin.	4	1	1	2	2	2	2	1	1	1	137.0%
Other Commerce R&D	4	10	11	11	11	11	11	10	10	8	-16.2%
<b>Total Commerce R&amp;D</b>		<b>1,284</b>	<b>948</b>	<b>1,226</b>	<b>1,259</b>	<b>1,259</b>	<b>1,252</b>	<b>1,230</b>	<b>1,209</b>	<b>1,040</b>	<b>-19.0%</b>
<b>Total EPA R&amp;D</b>	<b>11</b>	<b>619</b>	<b>528</b>	<b>628</b>	<b>646</b>	<b>665</b>	<b>683</b>	<b>676</b>	<b>663</b>	<b>570</b>	<b>-8.0%</b>
Total Education R&D	4	175	175	182	182	182	182	175	167	144	-17.8%
Total AID R&D	12	314	175	181	173	164	155	162	168	145	-53.9%
Total Veterans R&D	1	297	266	267	245	223	202	221	241	207	-30.3%
Total NRC R&D	1	82	59	59	59	59	59	57	54	47	-43.2%
Total Smithsonian R&D	1	135	135	147	135	123	111	122	132	114	-15.8%
Total TVA R&D	1	89	65	77	68	62	56	61	67	57	-35.4%
Total Corps R&D	9	55	46	45	42	38	34	37	40	35	-36.4%
Total Labor R&D	4	62	34	38	38	38	38	37	35	30	-51.4%
Total HUD R&D	1	41	34	48	44	41	36	40	43	37	-8.5%
Total Other R&D	10	171	147	171	171	171	171	165	158	135	-20.7%
<b>TOTAL NONDEFENSE R&amp;D</b>		<b>34,312</b>	<b>32,746</b>	<b>34,441</b>	<b>33,368</b>	<b>32,174</b>	<b>31,275</b>	<b>31,883</b>	<b>32,298</b>	<b>27,762</b>	<b>-19.1%</b>

Data from *Budget of the United States Government for Fiscal Year 1997*(CD-ROM)

Public Budget Database table "Budget Authority and offsetting receipts, 1976-2002"

\* - Source: AAAS Report XX: *Research and Development FY 1996*. This analysis uses FY 1995 original as the baseline to reflect the seven-year timetable for balancing the budget and to reflect the R&D budget before FY 1995 rescissions, which were the first step toward a balanced budget.

\*\* - expressed in **FY 1995** dollars. Adjusted for inflation according to GDP deflators.

\*\*\* - The figures for FY 2001 and 2002 are based on detailed budget account projections in the President's budget plan that are contingent on CBO certification in spring 1996 that the budget will lead to a zero deficit in FY 2002.

In May, CBO certified that the plan would not lead to a balanced budget. A May version of this analysis (continued)

adjusted the outyear projections to bring the budget into balance according to CBO assumptions based on AAAS' interpretation of instructions contained in the President's March budget. In July, the President issued the *Mid-Session Review of the 1997 Budget* which specifies a mix of undistributed discretionary spending cuts and sunset of tax cuts and other proposals to bring the budget into balance according to CBO projections. This mix of cuts and revenues differs from the cuts assumed in the May version of this analysis. The original FY 2001 and 2002 projections have been adjusted downward by allocating the discretionary spending cuts necessary to produce a balanced budget according to CBO projections proportionally among all defense and nondefense discretionary accounts.

## KEY OF ASSUMPTIONS:

- 1 = Based on specific outyear projection for account in Public Budget Database, assuming R&D as percent of account remains constant at the FY 1997 ratio.  
 2 = Not specifically mentioned in outyear projections; assumes freeze at FY 1997 level; Social Security Administration included.  
 3 = \$400 million in original BA for FY 1995; later reallocated to SAT as \$35 million for FY 95 and \$365 million for FY 98.  
 4 = Not specifically mentioned in outyear projections; assumes freeze at FY 1997 level.  
 5 = Program eliminated.  
 6 = Based on outyear projections for Railroad R&D and Next Generation High-Speed Rail account, assuming R&D as percent of combined accounts remains constant at FY 1997 ratio.  
 7 = Based on specific outyear projection for Research, Engineering and Development account; assumes other FAA R&D stays constant at FY 1997 level.  
 8 = R&D in Fleet Modernization and Promote and Develop Fisheries; assumes R&D as percent of combined accounts remains constant at FY 1997 ratio.  
 9 = R&D in Oil spill research; general expenses; O&M; general investigations; assumes R&D as percent of combined accounts remains constant at FY 1997 ratio.  
 10 = Justice, USPS and other small agency R&D frozen at FY 1997 levels.  
 11 = EPA R&D projections based on outyear projections for EPA Science and Technology account.  
 12 = Based on outyear projections for Sustainable Development Assistance and Development Fund for Africa, assuming R&D as percent of these accounts remains constant at FY 1997 ratio.  
 13 = CDC revised its classification of its R&D programs, leading to an R&D total higher than originally reported.

	1995*	1996	1997	1998	1999	2000	2001***	2002***
<b>Nondefense R&amp;D in FY 1995 \$</b>	<b>34,312</b>	<b>32,105</b>	<b>33,041</b>	<b>31,320</b>	<b>29,521</b>	<b>28,079</b>	<b>28,008</b>	<b>27,762</b>
Annual % change in constant \$ from previous year		<b>-6.4%</b>	<b>2.9%</b>	<b>-5.2%</b>	<b>-5.7%</b>	<b>-4.9%</b>	<b>-0.3%</b>	<b>-0.9%</b>

	1995*	1996	1997	1998	1999	2000	2001***	2002***	1995-2002
Deflators	1.2879	1.3136	1.3425	1.3721	1.4036	1.4345	1.4661	1.4983	1.1634
deflators from OMB, <i>Budget of the United States Government FY 1997</i> Historical Tables 10.1.									
Annual projected inflation (change from previous year)		2.0%	2.2%	2.2%	2.3%	2.2%	2.2%	2.2%	