

**Item****ESCOP Budget and Legislative Committee Agenda Brief****Presenters: Gary Thompson and Mike Harrington****For information only**

The committee holds regular conference calls on the last Tuesday of each month. These calls have generally been well attended. The current B&L Committee membership is shown below.

<p><b>Chair:</b> Gary Thompson (NERA)</p> <p><b>Delegates:</b>  Moses Kairo (ARD)  Carolyn Brooks (ED-ARD)  Karen Plaut (NCRA)  Ernie Minton NCRA  Tim Phipps (NERA)  Jon Wraith (NERA)  Bill Brown (SAAESD)*  Saied Mostaghimi (SAAESD)  Jim Moyer (WAAESD)  Glenda Humiston (WAAESD)</p> <p><b>Executive Vice-Chair</b>  Mike Harrington (WAAESD)</p> <p>*Chair elect</p>	<p><b>Liaisons:</b>  Rick Klemme (ECOP Liaison)  Paula Geiger (NIFA)  Bob Holland (NIFA)  Vacant (ARS)  Glen Hoffsis (APLU Vet Med)  Eddie Gouge (APLU)  Ian Maw (APLU)  Rebecca Walth (CARET)  Cheryl Achterberg (APLU - BoHS)</p> <p>Jim Richards (Cornerstone)  Hunt Shipman (Cornerstone)  Vernie Hubert (Cornerstone)  Jeremy Witte (Cornerstone)</p>
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Bill Brown will assume the chairmanship at the Fall ESS meeting. We look forward to his leadership.

Discussions with the ECOP B&L Committee have focused on joint efforts to provide integrated approaches and leadership for major budget efforts such as the Water Security and the Healthy Food Systems/Healthy People initiatives. Periodic face-to-face joint meetings have been conducted, and a meeting is scheduled for the Joint ESS-NEDA meeting this September in Jackson, WY.

Recent committee discussions focused on the NIFA webinars detailing the requirement for prior approval for equipment purchases using capacity funds. The Committee drafted a memo of concern to Drs. Robert Holland and Cynthia Montgomery (attached).

At the request of Greg Bohach, CLP chair, the committee conducted a detailed survey of all AES Directors seeking input on the 2018 Farm Bill. There was a very good response with 56 Directors completing the survey. Overall, there was strong support for both capacity and competitive programs. Five overarching priorities were derived from the survey.

**Overarching priorities:**

- Maintain and Increase Capacity Funds
- Maintain and increase AFRI to the authorized level
- Increase or fully fund all grants programs as authorized (e.g. energy, biomass, education programs)
- Reduce the number of lines by combining small grants programs into AFRI
- Seek addition partnerships outside NIFA



## EXPERIMENT STATION COMMITTEE ON ORGANIZATION AND POLICY

Experiment Station Section  
The Board on Agriculture Assembly

Association of Public and Land-grant Universities

June 30, 2016

### Memorandum

**Subject:** Prior approval of equipment purchases

**To:** Dr. Robert Holland  
Associate Director for Operations, NIFA  
Dr. Cynthia Montgomery  
Deputy Director  
Office of Grants and Financial Management, NIFA

**From:** Dr. Gary Thompson  
Chairman, ESCOP Budget and Legislative Committee  
Dr. H Michael Harrington  
Executive Vice Chair, ESCOP Budget and Legislative Committee

The ESCOP Budget and Legislative Committee discussed the recent webinars on equipment purchases at its regular meeting on June 28. We are writing to express our concerns about the policy requiring prior approval for equipment purchases with capacity funds which emanates from the OMB Uniform Guidance document. Tangible equipment was defined as an item costing more than \$5000 and having a useful life of more than one year. It is unclear if prior approval would be needed in a case in which the majority of funds were coming from other sources (e.g. cost sharing with other sponsored projects, industry, commodity groups or other internal funds), with capacity funding under the \$5000 threshold.

Our understanding is that these webinars occurred due to the confusing and conflicting information discussed at the NERAOC meeting. The webinars indicated that the policy would be implemented for FY 2017.

In response to numerous questions, OGFm stated that a 30-day turnaround at NIFA would be the timeline for approvals. However, this turnaround time seems unlikely, especially at the start of the fiscal year when many requests would be expected. In addition, our collective experience with the POW

approval timeframe and the recent pilot project on prior approval do not provide evidence that this is readily achievable. This will delay research progress. Thus, there is considerable concern that the approval process will be a protracted and cumbersome. Furthermore, requests for equipment purchases tied to the respective state's Plan of Work are apparently under discussion as an option. The latter suggests that far more detail would be needed in a state POW, contrary to ongoing efforts to simplify reporting.

The submission of "blanket" requests for approvals that would cover several pieces of equipment submitted as a package were encouraged. Requests of this type would likely be handled more efficiently than an individual request. It was recognized that individual requests would come in over a year. Many projects do propose to buy equipment; these projects are approved by the NPL. The NIFA OGFm position is that NPLs approve programs, not budgets.

In most cases, our campus procedures involve as many as four steps for approval of equipment purchases: 1) department/unit, 2) AES Director, who approves expenditure of Hatch and Evans-Allen funds, 3) college business office and 4) university procurement. We believe that these steps are sufficient for approval equipment purchases. AES Directors and university financial officers currently have budgetary authority for the responsible administration of capacity funds, and we recommend that the Director or his/her designee be delegated prior approval authority.

The webinar slides were posted today for review by those who were unable to join. A new deadline for comments is now July 15; however, this deadline is too short given the significant impact that implementation of this policy will have on research progress.

We respectfully request posting of the responses to all questions that were asked during the webinars. While we appreciate the extension of the comment period to July 15, we ask that this period be extended to the end of July so that feedback can be collected at regional summer meetings as well at the Joint COPS meeting in San Antonio. This also may call into question the implementation timing beyond FY2017.

We look forward to working with you and your staff to develop procedures that work for NIFA and the universities.

Cc: ESCOP Budget and Legislative Committee

Dr. Shirley Hymon-Parker, ESCOP Chair

Dr. Bret Hess, ESCOP Chair-elect

Regional Executive Directors