

BAC Call Notes
January 22, 2009

Minutes of December meeting approved

2009 Budget

- Current CR expires March 15
- An omnibus budget bill will be passed. The house will take up the 1st week of February. The Senate full conference is completed. Our status is not available.

Economic Recovery Bill

- The House has finished its bill; it should go to the floor next week. The Senate will take this up next week.
- The bill contains some \$5B for science but with the exception of \$209 million for ARS facilities there is no money for agriculture research. We will steer clear of the ARS line even though there are a number of universities that have ARS facilities on campus
- Cornerstone is working to get AFRI into the Senate bill.

BAA Action

- Cornerstone will be sending an Action Alert asking all BAA members with instructions to contact their delegations asking them to contact House and Senate agriculture appropriations chairs requesting consideration of our interests, particularly AFRI.

Feb 9-10 BAC Meeting and Budget Themes

- The BAC will be using themes for the 2010 budget cycle and beyond. At this point there are four overarching themes which will be prioritized. The "Theme" document will be edited by a committee appointed by Scott Smith. David Boethel is a member.
- For the first time, the BAC will vote thumbs up/down on each line to be included in the advocacy portfolio. Each request needs to be fully justified – reaching an authorized level is not sufficient. ESCOP will need to justify why increases in Hatch, McIntire-Stennis, etc. are needed.

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**ESCOP Budget and Legislative Committee
Conference Call Notes 012709**

Attending: Boethel, Brown, Hackney, Slack, Shulstad, Harrington, Leholm, Rossi, Young, Maw, Gouge

Formula program justification document

- Overall the document is very good but perhaps too long. Need to stress the new efforts that will be undertaken.
- Suggest adding in the concluding paragraph references to themes that we address by the Secretary of Ag.
- Slack comments: Agriculture is a 'wealth-generating technology' that is site (ie, state)-specific and is an important core investment in our economic recovery. R&D is at the heart of any competitive organizations future, including agriculture.
- Need to add citation for the ROI statement- Huffman/Evenson paper
- Add to the Hatch justification in the multistate section: "These multistate projects enhance communication among scientists, avoid duplication of efforts, and draw on the synergy of the team approach to problem solving."
- Verify figure for leveraging formula dollars

2009-2010 BAC Spreadsheet

- There were some 14 lines in 2009 and an additional 7 new lines suggested for 2010. Some the new lines are authorized the 2008 Farm Bill e.g. Borlaug Fellowship Program and AASCARR Capacity Building Grants.
- Suggest collapsing all of the competitive program lines (8) into the AFRI line but we will need to make sure that the programs are not lost in the shuffle.

BAC themes document

- Include 1862's need for capacity funding in the theme document or suggest removal of all capacity references?
- Replace the numbers in the document with bullets – as numbers suggest priorities.
- Consider having an AFRI theme

Committee Conference calls

Calls will be held on the 4th Tuesday of each month (one week after BAC calls) at 4:00pm Eastern,

Action items:

Harrington will send revised justification document – please provide additional comments asap

Send any comments on the BAC themes document to Harrington

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ESCOP Budget and Legislative Committee Conference Call Notes, February 24, 2009

Attending: Tina Bush, CY Hu, David Boethel, Jeff Jacobsen, Mike Vayda, Steve Slack, Bob Shulstad, Bruce McPheron

Approval of January call minutes - Approved

Discussion of BAC meeting

The Policy Board and BAC are seeking to reduce the number of priorities to simplify the message to Congress.

Themes: The themes were selected as umbrella statements which cover the priorities of the BAA. The B&L Committee is in agreement with the themes document; however, it is unclear how such a document will be used in the future.

Priorities: There two classes of priorities – those actively supported by the BAA and pursued by Cornerstone; those that are “endorsed” by the BAA, i.e. others would have to provide advocacy. (See: <http://www.nasulgc-bac.com/documents/FY2010/KB/Summary.pdf>)

Budget Updates

Stimulus Package: the \$50 million for bioenergy/bioproducts disappeared in the final hours.

2009: The final appropriation mark shows good increases for Hatch, McIntire Stennis, Evans-Allen, and AFRI. 13 of 14 lines on the BAC priority list were increased. There is also a “fix” allowing 100% of unrecovered indirect costs to meet the matching requirements for the Specialty Crops Research Initiative. The Senate is expected pass an omnibus bill by sometime next week and forward for the President’s signature. The current CR expires March 5.

2010: The President will announce general themes expected include STEM, human nutrition, obesity, biofuels and environmental sustainability. The budget will be sent to Congress on April 13.

Future Approaches to Priorities

Discussion centered on possibly developing a different strategy for priorities. The recent efforts have informed Congress of the importance of formula funds and members have responded with strong support. Unfortunately, increases in Hatch have just kept abreast with inflation over the last 5 years. It may be safe to assume that Congress will continue to support these programs even if cuts are proposed by the administration. However, it is unclear how much work might have to be done to meet such a challenge.

A new approach might be to focus attention on increasing AFRI; seeking to double funding or to the fully authorized level - \$700 million as the top priority. Our formula programs would still be priorities but not the top priority. After success with AFRI, attention would, again, turn to formula programs.

Some concern was expressed about the lack of knowledge of priorities of the Obama administration – what will be the position on formula funded programs. OMB and OSTP have been the principal drivers to eliminate formula funds. The administration position will be become clearer when the 2010 budget is released in April.

Problems with Grants.gov submission

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A number of problems have arisen with electronic submission of proposals via grants.gov. The problems appear to not be just isolated with USDA proposals. Examples include system being “down” or unavailable, having submission receipts but the program managers did not have the proposals and failure to have proposals reviewed and lack of reviewer comments. The committee recommends that additional data describing the extent of the problem is needed. A letter expressing concern from ESCOP could/should be sent forward.

Next call: Tuesday March 31 at 4:00 pm Eastern, call in # 970-491-1207

Action items:

Mike will develop white paper on approaches for future priorities to share with the committee for comment and modification as needed.

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ESCOP Budget and Legislative Committee Conference Call Notes, March 31, 2009

Attending: David Boethel, Jeff Jacobsen, Mike Vayda, Steve Slack, Bob Shulstad, Eddie Gouge, Jim Richards, Mike Harrington

Approval of February 24 call minutes - Approved

FY '09 budget

Overall there were increases in 13 of 14 system priority lines, in spite of increased demand by the WIC (\$1 billion) program. There is also \$106 million in mandatory research programs: Specialty Crop Research Initiative (\$50 million), Biomass R&D (\$20 million), Beginning Farmer Rancher (\$18 million), and Organic Agriculture (\$18 million). There is legislative "patch," permitting universities to count unrecovered indirect costs against the Specialty Crops Research Program's 100% matching requirement.

	2008	2009	Net Change
Hatch	195,812,000	207,535,000	11,723,000
Evans-Allen	41,051,000	45,504,000	4,453,000
McIntire Stennis	24,791,000	27,535,000	2,744,000
AFRI	190,883,000	201,504,000	10,621,000
Animal Health and Disease	4,971,000	2,950,000	(2,021,000)

Special grants and federal administration direct appropriations to support research have been declining (see table below).

Budget History Table

FY	Hatch (actual)	Inflation rate	Hatch (adj. for inflation)	NRI/AFRI (actual)	NRI/AFRI (adj. for inflation)	Special Grants	Federal Administration
2004	179,085,000	0.0268	179,085,000	164,027,000	164,027,000	124,249,000	37,482,000
2005	178,707,000	0.0339	185,155,982	179,552,000	169,587,515	135,471,000	42,546,000
2006	176,969,000	0.0324	191,155,035	181,170,000	175,082,151	141,591,000	50,560,000
2007*	322,597,000	0.0265	196,220,644	190,229,000	179,721,828	14,650,000	10,278,000
2008	195,812,000	0.0385	203,775,139	190,883,000	186,641,118	107,088,000	42,154,000
2009	207,106,000		203,775,139	201,504,000	186,641,118	84,449,000	28,776,000
5 yr Increase	28,021,000		24,690,139	37,477,000	22,614,118		

* Year long continuing resolution

FY '10 budget

Other than the general themes Obama discussed in a recent national address (STEM, human nutrition, obesity, biofuels and environmental sustainability) little information is available. The president's budget has been delayed several times with May 8 being the current date for release.

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Some concern was expressed about the lack of knowledge of priorities of the Obama administration, and what the position on formula funded programs might be. OMB and OSTP have been the principal drivers to eliminate formula funds. **Given this, we might anticipate some proposed reduction of formula funds.**

Stimulus Package

There apparently was no one from USDA who was willing to support the \$50 million for bioenergy/bioproducts that disappeared in the final hours. However, there are a number of leadership positions that have not yet been filled.

Advocacy Efforts

Jim Richards reported that it is increasingly difficult to get support for the number of lines that the BAC has been proposing. The majority of AHS-CARET visits focused their messages on competitive and formula funds.

Future Approaches to Priorities

Mike Harrington lead the discussion of the draft white paper on budget priority setting which proposes to simplify our message by focusing attention on increasing funding in AFRI to the fully authorized level of \$700 million. First and foremost AES directors indicated in recent surveys support for formula funds 3:1 over competitive programs. This serves to underscore the importance of these funds.

However, virtually everyone including universities and their presidents, professional societies, commodity groups, etc would be able to get behind an concerted effort to increase funds in AFRI. The ESS would maintain as a second priority formula funds programs.

Steve Slack reported that the NCRA supported focusing on AFRI funds. Mike Vayda indicated that the NERA recommended that 3-4 compelling, big issues need to be identified and that we need to be seeking *billions* rather than millions. (An authorizing language change would be needed to seek billions.)

Possible issues might include:

- Bioenergy/bioproducts
- Health, food safety obesity
- Climate change –environmental sustainability

Vayda reaffirmed the need for formula funds as these provide support to conduct state specific research, seed funds, as well as the capacity to compete for ARFI and other federal grants.

Bob Shulstad and/or David Boethel will lead a discussion on this topic at the upcoming SAAESD meeting. The WAAESD did not discuss this proposal as they met last before the B&L Committee call. However, the document will be shared and input sought.

Harrington suggested that there be a discussion session on adopting this approach at the annual ESS meeting in Oklahoma City.

BAC Themes document

The WAAESD discussed the themes document and unanimously approved a position statement that references to particular entities and programs should be removed from the document. The SAAED will also review the themes document.

Treatment of formula funds as grants

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By virtue of the use of Grants.gov as the mechanism for allocation of formula funds, some universities are requiring these funds be treated as grants *per se* which have a different set of rules in terms of use. Shulstad indicate that U-GA was doing this. Harrington recalled similar cases and memo from CSREES regarding this issue. The memo dated April 23, 2008 states:

These applications will be solicited through Grants.gov via Formula Grant Opportunities (FGOs) which will provide instructions for completing and submitting a package via Grants.gov. Please note that this process does not change the following:

- 1) The delegated authorities of the State Extension Director, 1890 Extension Administrator, the State Agricultural Experiment Director, the 1890 Research Director, and the Administrative-Technical Representative;
- 2) How funds are managed at your institution;
- 3) Indirect costs and tuition remission are unallowable under NARETPA section 1473; and
- 4) The matching waiver authority of CSREES for the Insular 1862 Land-Grant Institutions and the 1890 Land-Grant Institutions.

Next call: Tuesday April 28 at 4:00 pm Eastern, call in # 970-491-1207

Job Jar

Who	What	Status
Mike	Update budget history table in discussion white paper with 2009 and Federal Administration figures	Done
Mike	Locate CSREES memo regarding management of formula funds relative to how some universities are treating these funds as grants.	Done

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ESCOP Budget and Legislative Committee Conference Call Notes, April 28, 2009

Attending: David Boethel, Bill Brown, Mike Vayda, Steve Slack, Bob Shulstad, Eddie Gouge, Jim Richards, CY Hu, Carolyn Brooks, Mike Harrington

Approval of March call minutes - Approved

April BAC Conference Call

- Bev Durgan, Dean and Director at Minnesota, was introduced as the new vice Chair. She replaces Dan Dooley who has been asked to assume additional duties at the University of California
- The AHS has circulated a letter urging support for increases in the AFRI to the fully authorized level over the life of this Farm Bill. At this time there are 35 signatures including 3 university presidents and the CARET Chair.

Leadership in REE

Rajiv Shah has been nominated as the Under Secretary for REE. He is an MD who has most recently worked for the Gates Foundation on international hunger issues. Ian Maw has met with Dr Shah. There is no information as to who the Director of NIFA might be.

Status of Federal Budget – Jim Richards

The budget is expected to be released on May 8th or perhaps May 11th.

Regional feedback on the BAC “Themes”

- There is general support for the use of themes which would be an effective means to encompass our activities.
- The consensus was that the Themes as currently written contain too much detail which could confine the vision that might be seen within each general area. The details should be fleshed out and used as taking points.
- The WAAESD passed a unanimous motion supporting the removal of all references to specific lines, programs and institutions in the Themes document.
- There was general concern that having small budget lines appear as priorities could divert effort from the big picture items such as biomass/bioenergy, environmental quality, water, climate change waste management, etc.

Regional feedback of draft priorities white paper

- This document may be a moot point given that the AHS has initiated a strong effort aimed at increasing AFRI funding.
- There is strong support for growing ARFI; however, care must be taken such that increases do not come at the expense of formula funds. The capacity funds are essential to provide the breadth of programs that are expected and allow states to focus on problems of specific importance to their stakeholders.
- We should expect to see formula funds increase incrementally, i.e. inflationary increases in the near term.
- The funding in AFRI needs to grow significantly reaching the full authorized level in the next 3-5 years. Efforts should then be made to double the authorization.

Next call: Tuesday May 26, 2:00 pm MDT, Call in # 970-491-1207

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ESCOP Budget and Legislative Committee
Conference Call Minutes
June 23, 2009

Attending: David Boethel, Jim Richards, Arlen Leholm, Bob Shulstad, Mike Harrington, CY Hu, Bill Brown

2010 Budget Status - Jim Richards

Most BAC priorities were increased in the House mark. But increases were disappointing in terms of amounts. The Subcommittee had a significant increase in its allocation, thus more funds were available. There were more members who submitted request forms for our priorities – an increase over last year. (There were 23 requests for Hatch.)

The House Subcommittee staff director believes that capacity funds and competitive grant programs for agriculture are earmarks. This appears to have carried through to the chairwoman. We need to enlist state contacts in a concerted effort to educate chairs: Rosa DeLauro (CT), Jack Kingston (GA) ranking member on House committee and David Obey (WI) chair of the full committee.

Senate prospects appear to be good. The Senate Subcommittee has had poor allocations in the past but this year's allocation is substantially increased. There are also staffers and many senators who understand and support our programs/priorities. Senate mark up will occur the week of July 6.

Specialty crops matching requirements - Mike H

There appears to be some discrepancy in the interpretation of the use of unrecovered indirect funds as matching in this year's SCRI RFA. Language adopted last year was repeated in the House report in the FY 2010 budget. Mike will work to make sure that there is a consistent interpretation of this requirement.

Themes memo - Mike H

Complete for transmittal to Scott Smith.

Review 2011 priorities - David B/Mike H

The BAC will be developing preliminary priorities for 2012 at its summer meeting in Minneapolis. ESCOP's top priorities are:

Overarching Priorities:

- The Directors indicate that maintaining capacity for research through base funds (Hatch, Evans-Allen, McIntire-Stennis, and Animal Health) is the top priority by 70%:30% margin over moving funds into competitive programs.
- Increasing funding for the NRI with emphasis on integrated activities continues to be an important priority
- The Directors favor the concept of "continuing services" increases for the formula programs but suggest that the increase should be 5% to 10% rather than the rate of inflation.
- Directors strongly favored seeking increases for new research programs in the 2008 Farm Bill:
 - Biomass Research and Development – 83%

- Specialty Crops Research Initiative – 83%
- Organic Agriculture- 52%

It was noted that there was no mention of sustainability, but responses to “What’s the next \$100 Million program?” indicated strong interest:

1. A broad water initiative including supply, quality, use, conservation, etc.
2. Focus on the Environment including long term sustainability
3. A large scale initiative to provide solutions for bio and renewable energy and the food crisis

Science Roadmap update and relationship to Planning for 2012 priorities survey

The 2012 Survey will include 2011 priorities to determine if they are still on target. Mike will use as much info from the roadmapping process to develop the 2012 priorities survey.

Next Call:

July 28th call is cancelled, the next call will be August 25th, 2:00 pm CDT

ESCOP Budget and Legislative Committee
October 27, 2009
Conference Call Notes

Participating:

Mike Vayda chair, Steve Slack (NCRA), Carolyn Brooks (ED-ARD), Bob Shulstad (SAAESD), Arlen Leholm, Hunt Shipman, Jim Richards

Final 2011 Priorities discussion

- Support AFRI
- Formula funds increase – 10%

The FY 2009 Hatch appropriation was \$207.106 million; the FY 2010 request was \$225 million (8.6%); however, the realized increase was only 3.8%. Following from this a larger target would be needed to achieve a desired 7% increase. The FY 2010 Hatch appropriation is \$215 million, so a requested of \$24 million to \$237 million could result in an increase in the range of 7-8%.

Discussion of 2012 Priorities

- Make minor housekeeping changes and distribute to the ESS

Discussion of Reinvesting in the Land Grant University System Ver. 6.0

- General agreement with the document
- Work with Extension and others to further develop over the next several months culminating in a well organized approach by the 2010 Joint COPs meeting. Will need to have broad support from the “system”.

Other

ARS scientists have been given a goal of obtaining \$600 million in competitive grants over the next several years.

APLU Presidents apparently developing an initiative to seek \$85 billion of a new investment in LGUs e.g. a new Hatch Act