

**ESCOP Budget and Legislative Committee
Conference Call
January 24, 2012
NOTES**

Attending:

Steve Slack, H. Michael Harrington, Ernie Minton, Bret Hess, Jim Richards, Karen Plaut, Bill Brown, Tim Phips, Jeff Jacobson, Bob Shulstad, NIFA Liaison Paula Geiger (non-voting)

1. Cornerstone Update – Jim Richards

The President's budget has been delayed by a week. Because of this the BAC meeting will also be rescheduled.

The budget appropriations committee is actively looking beyond what is proposed to clean up the NIFA account, consolidate lines.

Holdbacks/sequestrations in the 2013 budget were discussed. Details won't be known during the CY 2012 process because it doesn't come into effect until 1/13. Expect anywhere from a 7-12% reduction. Congress may protect additional accounts from sequestration over those already protected in the Statute, putting a greater squeeze on unprotected discretionary accounts. For example, defense funding is not exempt right now but if it were, that could increase cuts beyond the 12%. If the Ag budget gets done before the election, OMB would likely direct agencies to proceed under a CR-like basis where they prohibit the allocation of funds in excess of 85-90% of the budget. Not expecting additional cuts on top of the sequestration.

Sequestration has the potential to involve any funds that come to us, including the 7 priority lines, capacity, and competitive funding.

Farm Bill won't likely go through the House until Sen. Stabenow does something in the Senate. Could end up as a baseline extension or a case-by-case extension.

2. Disposition of Regional Rural Develop Centers in the budget – H. Michael Harrington

Three weeks ago, there was a conference call with the RRDC Directors, Rick Klemme from Extension, Robin Shepard, Steve Slack, Mike Harrington to discuss the RRDC line in the budget. The RRDCs are currently in the integrated line, which has experienced huge reductions. The recommendation from that meeting was to move them out of current line and into the Extension umbrella. The intent/management of the program would remain as is. Mike and Steve were directed to bring this item to the Budget and Legislative Affairs Committee for discussion; recommendations will be taken to the Budget and Advocacy Committee (BAC) meeting, which will take place in February. The RRDC Directors are happy with where they are but the realities of the situation are apparent to them and they are willing to make a change. While this move would not achieve real budget consolidation as proposed for IPM, etc., but it may provide some shelter for the RRDC program into the future.

Two years ago, integrated activities was \$60 million, while FY12 is \$21 million and we have lost 4-5 lines in the last two fiscal years. Jim Richards suspects that the budget request will involve further consolidation and clean-up centered on what remains in integrated activities. The System and the RRDCs should remain fully engaged and have viable alternatives/proposals in mind to address those remaining lines, moving them elsewhere.

The B&L Committee was unanimously supportive of this decision.

3. Reaffirmation of ESCOP positions on budget priorities

Current position is to support the 7 priority lines for the System and, in particular, the lines that encompass the three capacity lines that impact ESCOP (i.e., Hatch, Evans-Allen for the 1890 research, and McIntire-Stennis forestry research) and the AFRI competitive program line. The only caveat on these priorities is that the new ESCOP roadmap would provide the foundation for prioritizing programs within these lines.

Mike Harrington pointed out that the AFRI funds are not the sole purview of Land-Grant Universities or the AESs. AFRI is open to any institution, just like NSF or NIH.

Jim Richards emphasized the need for unanimity on the competitive account within the System in order to achieve overall goals. Direction from the policy board has been adamantly to stay with the 7 priority lines.

This committee was in favor of continuing with the current position and presenting it as above.

4. Other

There was some discussion regarding the potential impact of sequestration on capacity lines. Mike and Paula confirmed that sequestration could impact all funds—nothing we have is exempted.

FY2012 Allocations for Hatch money should be coming very soon. NIFA had to redo a lot of the allocations based on a law (HR1540—The National Defense Authorization Act for FY2012, enacted on 12/31/12). SBIR set asides on extramural research, government-wide (includes NIH, etc., but not programs that are 100% extension) increased from 0.5-2.6%. Set asides will go up by 0.1% each year until reaching 3.0% and then it skips to 3.2%.

ESCOP Budget and Legislative Affairs Committee
Conference Call
March 27, 2012
NOTES

Participants:

Bill Brown
Bob Schultz
Steve Slack
H. M. Harrington
Hunt Shipman
Jeff Jacobson
KarenPlaut

1. Approval of February Call Minutes

Karen motioned. Jeff seconded. Approved.

2. Any budget updates from Cornerstone

House budget committee released its budget resolutions for FY13 that sets out the amount of discretionary spending for the 11 appropriations committees. Noteworthy: It is 15 Billion less than what the Super-Committee included for discretionary spending, and what is expected from the Senate budget committee. So, already the House and Senate have different numbers. The House numbers have significant cuts to Hatch, Smith Lever, McIntyre-Stennis. This will likely slow any conference processes because the top line allocation numbers will have to be resolved before the subcommittees will know what they are working from. Finally, the House freshman may not be satisfied by this 15 Billion reduction and they may try to cut it even more. It is not clear how the 15 billion in cuts would be translated down to the subcommittees and how the Ag Subcommittee would then allocate their portion.

Reminder: Senate deadline is this week (March 30). Remind people to contact their senate office and submit their request about the programs that are important to them, especially the 7 priorities of the BAC.

Cathy Woteki testified before the House Ag Committee. Cornerstone sent a report out to the BAC (*see attached*). The Crop Protection Program issue was one of the things that was top on Sam Farr's mind, especially the IR4 and its future identity. There were also questions from other members of the subcommittee asking about allocation of AFRI funds to different issues, including animal health.

3. Final Draft Crop Protection White Paper

Mike sent out the White Paper to everyone earlier this week. The White Paper was discussed in the policy board last week and they have endorsed. Also, Meryl Broussard called in with his support of NIFA participation on the working group proposed in the White Paper (*see Core Group list below*). Extension insisted that “Integrated” be part of the title, reflecting the importance of IPM. The IR4 folks, however, do not see themselves as part of IPM.

The Steering Committee or Core Group will develop drafts and a broader group will review, much like the 321 process worked.

Robin Shepard, Jane Shuhardt, and Mike Harrington developed a list of people who could potentially work on this issue. The first step will be to create an executive steering committee who will work to produce a first draft. Representatives from IR4, Research, Extension, Regional IPM, Extension IPM, and stakeholders are all included. A final list of participants will be developed by March 29th. Mike has spoken to several people on the list to gauge their interest in participating.

The charge to the group is still being finalized but would basically involve identifying:

- what the program would look like
- linkages between each of the program parts
- how to make an effective system

Mike is going to the International IPM Centers meeting in Memphis tomorrow. There is an IPM listening session on Thursday at noon. Mike is not aware of anyone from Research providing input. He will provide input on behalf of this committee and the BAA, and Budget and Advocacy Committee. He is likely to submit this White Paper as a form of input.

Did the 406 White Paper last year and included a lot of the IPM groups, in terms of defining function, but didn't include IR4. The point made was that NIFA was directed by Congress to roll that in; this should be recognized as people move forward.

Will the committee work after implementation or is this still in the working phase as to what will go into the FY13 budget. The FY2013 program could be implemented in the same manner as it was in FY2012, keeping everything whole. This would give the working group a chance to develop their recommendations. Would have to come up with the 1.3 million that was taken from the program and some advocacy might be needed to help recover those dollars. The IR4 folks remain unhappy (see www.saveir-4.org), but they may be willing to participate in planning. The White Paper talks about preserving functional integrity of important, core programs that should be maintained and/or enhanced.

Appropriators will have to make decisions before the committee gives full input. Can the IR-4 community be satisfied to the point of supporting the budget proposal and allowing the committee to go forward and allow their recommendations to be developed after the fact? Dan Rossi reported

today that IR-4 seems to have dialed back a bit and may be willing to participate in planning efforts for the Crop Protection Program.

All Regions have the White Paper. EDs have been asked to provide names for the working group. EDs have been sharing with their Directors. It got wide distribution in Extension as well.

Next Steps:

Mike and Robin Shepard will write a cover letter for the white paper for Frank Galey to review that outlines what was discussed in this meeting.

4. Possible work group members

Larger than anticipated, but program-area and geographic representation was important. The representatives listed below would be charged to reach out beyond those names to their respective groups that they represent.

CORE Group

EIPM:

Paul Jepson	western	Oregon
Charles Allen	southern	Texas
Ed Rajotte	northeast	Penn
Chris Boerboom	north central	North Dakota

Regional IPM Centers:

Susan Ratcliffe	north central
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IR-4:

Jerry Barons	national	
Rich Bonnano	northeast	Massachusetts

1890s:

Moses Kairo	1890s	Florida (FAMU)
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Research:

Frank Zalom	western	California
Jonathan Edelson	southern	Oklahoma
TBD	northeast	
Doug Buhler	north central	Michigan

Stakeholders:

Harold Cable	ARS
Steve Balling	Delmonte

Tom Green IPM Institute/IPM Voice
Don Parker National Cotton Council

NIFA:

Meryl Broussard
Mike Fitzner
Deborah Sheely

CO Chair:

Mike Hoffman Research
Daryl Buchholz Extension

Exo Officio:

ESCOP BLC, Chair Steve Slack
ECOP BLC, Chair Rick Klemme
CLP, Chair Wendy Winterstein

5. Survey Results on Roadmap Priorities

Mike reported on this at the ESCOP meeting. Each of the 7 priority areas has 2 top issues. Water and sustainability were cross-cutting issues. These priorities will be forwarded to USDA as AFRI priorities.

Memorandum

TO: Budget and Advocacy Committee

FROM: The Cornerstone Team

SUBJ: House REE Hearing

DATE: March 22, 2012

Yesterday, the House Agriculture Appropriations Subcommittee held its annual hearing on the President's Budget Request for the Research, Education, and Economics (REE) mission area of the U.S. Department of Agriculture. REE Under Secretary Catherine Woteki and her agency heads (including NIFA Acting Director Chavonda Jacobs-Young) were witnesses. Subcommittee members present for the hearing were Jack Kingston (R-GA), Jo Ann Emerson (R-MO), Cynthia Lummis (R-WY), Alan Nunnelee (R-MS), Sam Farr (D-CA), and Sanford Bishop (D-GA).

Generally, we prepare a hearing report which is distributed to BAA members and other interested parties. However, there was little "news" in yesterday's hearing and a full-blown report is not merited. Instead, we would call your attention to a few matters that came up during the question and answer period.

Ranking Democrat Farr was particularly concerned about the proposal to consolidate several existing crop pest management programs into a single "Crop Protection" program. Noting that he had already heard from several interested parties expressing concern that the IR-4 (Interregional Research Project #4 Minor Crop Pest Management Program) mission "would be lost." Woteki replied that they had also met with a representative group recently and that "we clearly understand the importance of IR-4 for specialty crops."

Woteki also said that the proposal was put forward in response to congressional directives and a desire to provide "more efficient management" of NIFA's crop protection efforts. Jacobs-Young noted that the agency was embarking upon a "a consultative process beginning next week in Memphis." Both committed to work with stakeholders and members of Congress "to make sure that everyone's concerns are addressed."

Other members, including Reps. Lummis, Nunnelee, Bishop, and Emerson asked questions about various NIFA programs and activities. Lummis wanted to know why only 30 percent of funds appropriated for the Agriculture and Food Research Initiative (AFRI) go to "foundational programs like animal health." Woteki said that "balance of the AFRI portfolio is something we discussed with the agency and broader community and because of complaints we made the decision to increase it to the current 30 percent."

Nunnelee asked that if the REE agencies were going to have to “make do with less,” shouldn’t any budget reductions come first from USDA overhead?” Woteki responded that they were in fact focusing first on administrative savings noting that the travel budget had been cut by 20 percent and that 500 REE mission area employees had taken advantage of early retirement opportunities. Nunnelee asked in follow-up: “Even after those administrative cuts, you may have to cut research. How do you decide what else to cut?” Woteki replied that they’d consult closely with various REE stakeholders and try to use the REE Action Plan for guidance.

Farr asked: “If the Specialty Crop Research Initiative (SCRI) is going away, why aren’t you making specialty crops a greater part of AFRI?” Woteki stated that “SCRI has been funded out of mandatory funds” and the program “has been very productive... Perhaps the Farm Bill reauthorization may provide an extension of mandatory funding. If not, we’ll consider it within AFRI.”

Bishop asked questions about AFRI and the NIFA programs that benefit the 1890 land-grant institutions. He specifically wanted to know what steps NIFA was taking to improve the “success rate” of grant applications from 1890 institutions. Jacobs-Young noted that the agency “has strong 1890s relationships, and we’re in constant discussion about how to improve 1890s competitiveness.”

ESCOP Budget and Legislative Committee
Conference Call
April 24, 2012
NOTES

Participants:

Paula Geiger, Bret Hess, Carolyn Brooks, Karen Plaut, Ernie Minton, Jim Richards, Hunt Shipman
Bill Brown, Mike Harrington (serving as Chair today, in Steve Slack's absence)

- **Approval of March call minutes**
 - No corrections. Approved.
- **'13 Budget update (Cornerstone)**
 - Budget update hasn't changed much from the last call. House Ag is likely to mark up in early June; senate is Thursday (4/26), but has not been announced yet. House and Senate have released their subcommittee allocations. House allocation is \$19.405B or \$375M below FY12. Senate is \$20.785B which is \$1B more than FY12.
- **Farm Bill update (Cornerstone)**
 - Markup will be completed tomorrow in the Senate. Several commodity groups in the south have asked them to delay by a week or so. They feel they have been treated inequitably. Good news is that the draft of the legislation (which may change, but not substantially on the Research Title) has the vast majority of what we asked for. Research is now "Research, Extension, and Related Matters". Indirect cost adjustment wasn't included. Substantial amount of mandatory research funding included. Overall, \$430M in mandatory funding for research includes \$80M for organic, \$200M for specialty crops (for 5 years, \$400M for 10 years with \$50 million/yr. into baseline after year 5), \$100 million Beginning Farmer Rancher Program, 100 million Foundation for Food and Ag Research (\$100 M/year), .
 - Biomass research was not funded in the Senate version.
 - Specialty crops baseline is protected at \$%0 million/yr for years 6-10.
 - Foundation for Food and Ag Research is a foundation within the department, sets up a Advisory Board. Foundation will have \$100M in FY13, a one-time investment to set things up. Foundation will look at innovative RFPs to solve emerging issues and tie those back into NIFA. Proposals will require a 50% non-federal match. It's a new way to get money out and try and leverage on the front end.
 - The Specialty Crops Advisory Group is a new addition.
 - Foundational programs from FY12 were folded into FY13.
- **Crop Protection Program update (Mike Harrington)**
 - Working group of affected programs, stakeholders was created.
 - Questions and engagement of Working Group on hold until after the mark-up. Robin Shepard and Mike H. drafting a memo from the Co-Chairs that will go to the Working Group, Deans, and Directors. Will get back with the Working Group after the mark-up and begin planning for FY14 budget implementation.

- **Budget Priorities for FY14 and beyond**

- This committee, along with Science and Technology, has developed priorities for submission into the BAC process. In the past, surveys went out to get input. These typically generated “issues of the day” rather than budget or legislative priorities. Prior priorities were to 1) support capacity programs (Hatch, McIntire-Stennis, Evens-Allen, etc.) and 2) support increases in AFRI. Decided last year to put forth the top 2 priorities in each Challenge from the Science Roadmap. Sustainability and Water Quality/Quantity were seen as cross-cutting issues from the Science Roadmap.
- Haven’t asked Directors questions about more extensive budget priorities. Should we do this in anticipation of the ESS meeting?
 - This committee is trying to work at a broad scale, not advocating for specific programs. However, when Daryl Lund was co-Chair, the committee identified specific areas of research interest that was provided as input for AFRI. Some discussion that this was the purview of the Science and Tech Committee. Last S&T input was 2 years ago with very specific recommendations for AFRI on Plant Pathology.
 - This committee should maybe stop at the existing science roadmap priorities. Mike will send a link to previous surveys so the group can review questions that were asked.
- There was some discussion about the Livestock Research White Paper written by the Southern Region Animal Science Dept. Heads. The paper speaks to 1) declining state budgets (reduced faculty FTE, new faculty shifted to basic, less applied); 2) increases in student numbers (pre-vet) and the pressure that has put on Animal Science teaching (there have been no teaching FTE increases, so research has essentially been subsidizing teaching); and 3) disparity between plant-based vs. animal-based programs in AFRI compared to farm-gate value. Every animal science head was present at the recent meeting and everyone was saying the exact same thing relative to all three issues. Livestock industry accounts for \$164.6M (not including feed crops = \$68M) of U.S. agriculture or 57% of all agriculture impacts.
- Session on Animal Agriculture is being planned for the meeting in September. It will focus on BMPs for sharing facilities, faculty, etc. While outcomes might be transferable to other areas, this session will focus on production animal agriculture.

Science Roadmap: <http://escop.ncsu.edu/docs/scienceroadmap.pdf>

Next Meeting May 29, 2012, 4:00 EASTERN TIME. Call in number is: 970-491-2611.

ESCOP Budget and Legislative Affairs Committee
Monthly Conference Call
June 26, 2012
NOTES

Participants:

Bret Hess
Tim Phipps
Mike Harrington
Tom Burr
Steve Slack
Ernie Minton
Karen Plaut
Paula Geiger
Jeff Jacobsen
Jim Richards

Approval of April Minutes: Motion to approve (Brett Hess), Second (Tom Burr). Approved.

2013 Budget Update: Last week the House Ag Appropriations bill was marked up. Cornerstone sent out a report summarizing this. Other than AFRI, everyone took proportional cuts (~ 3%) regardless of account size. \$317K was cut from “improved pest control” in the House. They were supposed to start on the House Floor this week, but it has been delayed until after the 4th of July holiday.

Farm Bill Update: The Farm Bill is marking up on July 11th. Senate passed its Farm Bill last Friday. Most of our things are in good shape—no real damage to the research title. House is expected to have similar provisions on Title 7. Opportunity for ill-conceived amendments still exists.

Special Grant Programs that are still listed include IR-4 and rest of Improved Pest Control—under 450IC approved authority; Global Change UV Monitoring is the biggest. NIFA doesn’t view those as “earmarks,” but rather just special research grant category.

Crop Protection Update: The Budget and Advocacy Committee has endorsed the consolidation of the Crop Protection Program, in theory. A Working Group (30-40 folks from around the country with a variety of interests) has been formed to provide feedback to NIFA on the consolidation effort. A Core Team drafted a document about what might be included in the consolidated program. Comments are currently coming in from the Working Group. Input from several different groups/individuals has come in. Core Team is touching base this week with subgroup conveners. A second draft of the document will be completed soon and a final draft will be presented at the Joint COPS in July. There is a small window of opportunity to provide some input into the program for FY2014.

IR-4 seems to still want to be an independent line. They see themselves as distinctly different and feel that they are doing many things that don't support Crop Protection (e.g., International Trade Agreements). The big concern they have is related to indirect cost and whether or not this will be allowed. There is a need to recognize that appropriators appropriate based on specific budget lines and clearly it is possible to preserve these things with functional and programmatic integrity (i.e., no change to IDC). IR-4 also has to cope with concerns from industry.

Review of Roadmap Priorities: Survey results were sent out with meeting notification. It was suggested that we focus on the top 2 from each of the 7 challenge areas. There are also some that are cross-cutting, such as water. This input should be provided to NIFA through a formal letter to Sonny R from both committees and ESCOP (no pressing need to do this before Joint COPS). The specific priorities should be reported at the BAC meeting by Mike and Dan Rossi (representing the Science Committee). Mike and Dan can draft a memo for ESCOP to consider at the Savannah meeting. Mike will suggest this to Lee (ESCOP Chair).

This committee supports all 7 challenges and the top two priorities from each of the seven challenge areas in addition to a couple of cross-cutting issues like water.

There were 50 responses. People were asked to pick the top 2 priorities in each challenge which is why some add up to 175%.

It was suggested that priorities be considered anything over 50% and then include water, etc. as cross-cutting issues. This would drop 2 items off the list, making it a bit more focused. Mike will speak with Dan about this and get feedback from the S&T Committee. Group agreed to poll the S&T Committee to see if they have a strong opinion.

Some things may be higher priority based on region, as well.

The draft communication would include some explanation as well as the list so that it makes sense to readers.

Challenge 4 work is both domestic and international (coordinating with other countries).

Committee is supportive of moving ahead and working with the Roadmap committee to draft a letter that informs BAC, AFRI, and others.

2010 Summary of AFRI Program: In 2010 the AFRI program received and reviewed a total of 1,571 competitive grant applications, requesting \$3,984,288,212. From these submissions 403 awards totaling \$232,649,478 were made and an additional 1012 proposals were recommended for funding totaling \$2,879,693,931. This is a huge shortfall in funding and a major waste of scientists' time as it typically takes 6 to 8 weeks to develop a single investigator proposal. Integrated team proposals can take 6 months. There are also transactional cost/opportunity costs for all the proposal's whether funded or no and also time lost to reviewing all proposals. This is why AFRI must be fully funded to the authorized level of \$700 million and more. The 2010 report can be found at:

http://www.nifa.usda.gov/funding/pdfs/2010_afri_synopsis.pdf

Next Meeting: There is no call scheduled for July but there might be one if needed because of new information on July 24th. If no new news, next meeting will be held on August 28th.

ESCOP Budget and Legislative Committee
Monthly Conference Call
August 28, 2012
NOTES

Participants:

Bret Hess (WAAESD)	Ernie Minton (NCRA)
Tim Phipps (NERA)	Karen Plaut (NCRA)
Mike Harrington (WAAESD)	Paula Geiger (NIFA)
Tom Burr (NERA)	Jeff Jacobsen (WAAESD)
Steve Slack (NCRA)	Vernie Hubert (Cornerstone)
Bill Ravlin (Science and Tech)	Dan Rossi (NERA)
Bob Shulstad (SAAESD)	Bill Brown (SAAESD)
Eddie Gouge (APLU)	

Approval of June Minutes: Motion to approve (Tom Burr), Second (Bret Hess). Approved

Matching funds

Vernie Hubert has had several meetings with House staff on this issue. These discussions continue with Cornerstone working to best meet our needs. The most desirable outcome would be to eliminate the current statutory matching requirements; however if no proposal can be developed that is acceptable the most likely outcome is that current statutory language in the 1977 Act would remain in force. A number of unintended consequences were expressed by B&L members including additional work burden/expense needed to track and audit matching contributions inherent in any matching requirement proposal. Such additional burdens already currently result in many institutions discouraging or prohibiting “in kind” as matching contributions.

Harmonizing budget and legislative efforts with the Science Roadmap

Bill Ravlin and Dan Rossi provided an overview of Science and Technology Committee efforts to develop a short 4-5 page synthesis document. Three overarching themes have emerged: “human health and well-being” as a function of “food safety and security”, “socioeconomics and the bioeconomy”, and “ecosystems and the environment”.

Some concern was expressed that a high level document might not be useful in facilitating programmatic change in the AFRI or other grant programs. How do we inform multiple audience including OSTP, NPLs, Congress, Stakeholders, etc.?

We will need to take advantage of opportunities to provide advice on “investment opportunities” at input sessions for AFRI and other programs.

GAO Investigation of Duplicative Research

Many Directors have been hearing from faculty retuning from professional society meeting that there is a GAO investigation of duplicative research in USDA. The note from Ian Maw below explains the situation as we currently know it. Until the report is released we have no further information.

“Earlier this year, the Government Accountability Office contacted both APLU and Cornerstone as a part of an investigation into "duplicative research programs" that the GAO is conducting. It is our understanding that the House or Senate Agriculture Committees, as a part of their preparation for the 2012 Farm Bill, made the request of GAO. Further, it is our understanding that while the request was more general, at least one area that the GAO has focused on is potential duplication between competitive grants (presumably AFRI) and Hatch. At this point, we have no additional information regarding the status of the report, or the timing of its release. Given that both the House and Senate Agriculture Committees have completed their work on the research titles for their respective version of the Farm Bill, it is unlikely that the report would have any meaningful impact on the Farm Bill, though it is possible that it could lead to policy changes in annual appropriations bills, if both the Agriculture Committees and Appropriations Committees agree. From my point of view, it was a very open and friendly discussion as they attempted to better understand how the “system” works and how we respond to both national as well as local concerns. We will continue to monitor this situation and provide updates as they come available.” - Ian Maw

2014 Priorities

For the last few years, ESCOP and the ESS has put forward as its top priorities increasing/maintaining formula research capacity programs including Hatch, McIntire-Stennis, 1890 Research. We have also supported increases in AFRI and continuation of the mandatory grants programs including SCRI, Biomass R&D, Organic R&E, and Beginning Farmer-Rancher program.

No call in September