



United States  
Department of  
Agriculture

Research,  
Education, and  
Economics

National Institute  
of Food and  
Agriculture

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Washington, DC  
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June 3, 2015

Barbara Allen-Diaz, Chair of the BAA Policy Board  
Vice President, Division of Agriculture and Natural Resources  
University of California System

Dear Barbara:

This is in response to questions and concerns from some of our Land-grant partners regarding the National Institute of Food and Agriculture's (NIFA) implementation of the Crop Protection Pest Management (CPPM) program.

The Integrated Pest Management (IPM) efforts supported through CPPM and other programs within NIFA serve as a model for the effective integration of research and extension at the regional and national level. We are committed working with our Land-grant partners in the implementation of this mission critical program.

The questions and concerns brought to our attention revolve around three primary issues:

1. Decreased funding levels for the program starting in FY 2013;
2. Differences between appropriated funding level for the program, total funding level available for grant awards, and actual funding awarded to grant recipients; and
3. Concerns over indirect costs.

We have carefully reviewed funding trends for this program prior to and after consolidation in Fiscal Year (FY) 2014. We have also carefully analyzed the appropriated funding levels, funding available for grant awards, and total funding level for grant awards since consolidation. In addition we have reviewed the impact of indirect costs on the program. A summary of the funding levels for the CPPM program from FY 2011 to FY 2015 is provided below.

First, in regards to the concern over decreased funding for these programs: please note that the actual decrease in funding levels occurred in FY 2013—the year before Congress created the CPPM program by consolidating five funding lines into a single line—as a result of two rescissions and sequestration that reduced total funding for the five program lines by \$1.37 million. In FY 2014, the first year of the consolidated program, Congress partially restored some of the funding lost in FY 2013, resulting in a \$692,000 increase in funding for the CPPM program. ***Thus, the reduction in funding for***

***these programs was not the result of consolidation, as the reduction in funding occurred before the programs were consolidated into a single line.***

Second, regarding concerns over the difference between the total amount of funding appropriated and total amount of funding awarded to grant recipients. Table 1 below provides a summary by fiscal year for the following:

1. Total levels of funding appropriated by Congress;
2. Total levels of funding available for grant awards following Congressionally authorized/mandated reductions for direct Federal Administration (NIFA's operating funds), the Small Business Innovation Research (SBIR) program, the Biotech Risk Assessment Grant (BRAG) program, and IPM/CPPM peer panel costs); and
3. Actual total funding levels provided to grant recipients.

The data presented in Table 1 below suggest that for each fiscal year the total funding available for grant awards and total level of funding awarded to grant recipients are the same. ***The bottom line is that every dollar available for grant awards for the CPPM programs was awarded.***

Third, regarding concerns over the indirect cost issue. Congress appropriated funding for the CPPM program through the Section 406 integrated authority. NIFA indeed proposed the use of this funding authority to facilitate integration of research, education, and extension activities in the implementation of the CPPM program. While this authority does allow participating institutions to claim indirect costs it does **not** require that they do so. ***In FY 2014 approximately half of the CPPM participating universities claimed indirect costs.***

I hope the above and the attached table answer the questions and concerns expressed by our Land-grant partners. We look forward to continue working with our partners in seeking commensurate funding and implementation of this mission critical program.

Sincerely,



Sonny Ramaswamy  
Director

**NATIONAL INSTITUTE OF FOOD AND AGRICULTURE**

Pest Management Funding: FYs 2011 - FY 2015

<b>FUNDING (Dollars in Thousands)</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
Regional Pest Management Centers	2,994	4,000	3,690	0	0
Integrated Pest Management & Biological Control	2,410	2,362	2,185	0	0
Expert IPM Decision Support System	156	153	141	0	0
Pest Management Alternatives	1,431	1,402	1,297	0	0
Pest Management - Extension	9,918	9,918	9,151	0	0
Crop Protection/Pest Management	0	0	0	17,143	17,200
<b>Total</b>	<b>16,909</b>	<b>17,835</b>	<b>16,464</b>	<b>17,143</b>	<b>17,200</b>

<b>FUNDING (Dollars in Thousands)</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013*</b>	<b>FY 2014</b>	<b>FY 2015</b>
Appropriation	16,909	17,835	16,464	17,143	17,200
Administration (4% Congressional authorization)	676	713	659	686	688
Program Funds:					
SBIR Program (Congressionally-mandated set-aside)	120	131	126	154	160
BRAG Program (Congressionally-mandated set-aside)	21	21	21	1	2
Peer Panel Costs**	60	16	43	92	29
Total Funding Available (Payments to States)	16,032	16,953	15,616	16,210	16,320
Funds Awarded (Planned for 2015***)	16,032	16,953	15,616	16,210	16,320

The Payments to States amount is the appropriated amount minus the set-asides for Federal Administration, Small Business Innovation Research (SBIR), and Biotechnology Risk Assessment Grants (BRAG) program, and peer panel costs.

Set-Aside Percentages:

Administration - 4 percent as authorized under Section 1469 of NERETPA, as amended (7 U.S.C. 3315)

BRAG - at least 2 percent of funds spent on biotechnology research as authorized/required under Section 1668 of the FACT Act, as amended (7 U.S.C. 5921)

- BRAG set-aside is calculated based on 2 percent of prior year expenditures on biotechnology research under the CP/PM program

- Please note for 2014 and 2015, the Contractor provided numbers that are likely an underestimate and we are analyzing the same.

SBIR - percent as authorized and required under the Small Business Innovation Development Act of 1982 (Pub. L. 97-219, as amended) (15 U.S.C. 638)

Not less than 2.5 percent of appropriations in fiscal year 2011

Not less than 2.6 percent of appropriations in fiscal year 2012

Not less than 2.7 percent of appropriations in fiscal year 2013

Not less than 2.8 percent of appropriations in fiscal year 2014

Not less than 2.9 percent of appropriations in fiscal year 2015

\* In FY 2013, an initial appropriation of \$17.835 million was reduced by Congressionally mandated cuts of -\$448,000 (Across-the-board rescission of 2.513%), -\$35,000 (Across-the-board rescission of 0.002%) and -\$888,000 (sequestration of about 5%).

\*\*Peer Panel Costs: Peer panel cost vary year to year based on several factors including the number of panels administered, the size of each panel, the costs of panel managers for larger panels, and the travel associated with live versus virtual panels. Table 1 includes the costs for panels that were administered directly by NIFA. The table does not include the costs (approximately \$87,000 per year) for peer panels that were administered by the Regional IPM Centers prior to consolidation. NIFA estimates that total peer panel costs have been reduced by 53% resulting in annual savings of over \$60,000 per year since the consolidation. This estimate does not reflect the significant reduction in staff time at NIFA and the Regional IPM Centers as a result of the decrease in the number of RFAs per year from eight to one as a result of the consolidation.