

Item 8.2, Attachment 1

Proposal Version 1.0

National Institute of Food and Agriculture

One-Line Funding Concept (A Numerical Example)

Important Note: This document is a numerical **example** of how a single-line NIFA funding concept might work. It contains these assumptions, which have **not** been agreed to by the Committee on Legislation and Policy: (1) Base Year = FY 2011; (2) Upside split between competitive and capacity/infrastructure = 70% to 30%; and (3) final disposition of programs/funding lines (as either capacity or competitive).

REDUCTION / INCREASE INPUT FIELDS (\$Millions)>	R e		
	Reduction	Increase 1	Increase 2
	\$ 100	\$ 100	\$ 500

CAPACITY AND INFRASTRUCTURE	FY 2011	Reduction	Increase 1	Increase 2
Research and Education Activities				
Hatch Act	236.334	236.334	245.367	281.496
Evans-Allen Program (1890s Research)	50.898	50.898	52.843	60.624
McIntire-Stennis Cooperative Forestry	32.934	32.934	34.193	39.227
Capacity Building Grants (1890 Institutions)	19.336	19.336	20.075	23.031
Payments to the 1994 Institutions (Equity Grants)	3.335	3.335	3.463	3.973
Native Alaska/Hawaiian-Serving Education Grants	3.194	3.194	3.316	3.804
Animal Health and Disease (Sec. 1433)	2.944	2.944	3.057	3.507
1994 Institutions Research Program	1.801	1.801	1.870	2.146
Resident Instruction Grants for Insular Areas	0.898	0.898	0.933	1.070
Distance Education Grants for Insular Areas	0.749	0.749	0.777	0.892
Extension Activities				
Smith Lever Sections 3(b) and 3(c)	293.911	293.911	305.144	350.075
Expanded Food and Nutrition Education (EFNEP)	67.934	67.934	70.530	80.915
1890 Institutions and Tuskegee Extension	42.592	42.592	44.219	50.731
1890 Facilities Grants (Sec. 1447)	19.730	19.730	20.485	23.501
Extension Services at the 1994 Institutions	4.312	4.312	4.477	5.136
Renewable Resources Extension Act	4.060	4.060	4.215	4.836
CAPACITY & INFRASTRUCTURE SUBTOTAL	784.963	784.963	814.963	934.963

COMPETITIVE PROGRAMS	FY 2011	Reduction	Increase 1	Increase 2
Research and Education Activities				
Agriculture and Food Research Initiative	264.470	199.524	309.932	491.779
Improved Pest Control	16.153	12.186	18.929	30.036
Sustainable Agriculture Research & Ed. (SARE)	14.471	10.917	16.959	26.909
Hispanic Education Partnership Grants	9.219	6.955	10.803	17.142
Higher Education Challenge Grants	5.643	4.257	6.613	10.493
Veterinary Medicine Loan Repayment Program	4.790	3.614	5.614	8.908
Aquaculture Centers (Aquaculture Grants)	3.920	2.957	4.594	7.289
Graduate Fellowship Grants	3.851	2.906	4.513	7.161
Sun Grant Program	2.246	1.694	2.631	4.175
Farm Business Management and Benchmarking	1.497	1.129	1.754	2.784
Multicultural Scholars Program	1.239	0.934	1.451	2.303
Critical Agricultural Materials Act	1.081	0.815	1.267	2.010

Joe Skeen Institute for Rangeland Restoration	0.981	0.740	1.150	1.824
Secondary/2-year Post Secondary	0.981	0.740	1.150	1.824
New Era Rural Technology Program	0.873	0.659	1.023	1.624
Alternative Crops	0.833	0.629	0.977	1.550

COMPETITIVE PROGRAMS	FY 2011	Reduction	Increase 1	Increase 2
Extension Activities				
Pest Management	9.918	7.483	11.623	18.443
Youth at Risk	8.395	6.334	9.838	15.611
Farm Safety	4.853	3.661	5.688	9.025
Sustainable Agriculture	4.696	3.542	5.503	8.731
Indian Reservation Agents	3.039	2.293	3.561	5.651
Grants to Youth Organizations	1.780	1.343	2.086	3.311
New Technologies for Ag Extension (eXtension)	1.747	1.318	2.047	3.248
Rural Health and Safety Education	1.735	1.309	2.033	3.225
Food Animal Residue Avoidance Database	0.998	0.753	1.170	1.856
Youth Farm Safety Education and Certification	0.485	0.366	0.568	0.902
Women and Minorities in STEM fields	0.399	0.301	0.468	0.742
Integrated Activities				
Food Safety	10.978	8.282	12.865	20.413
Water Quality	8.982	6.776	10.526	16.702
Food and Agriculture Defense Initiative	5.988	4.518	7.017	11.135
Organic Transition Program	3.992	3.012	4.678	7.423
Regional Pest Management Centers	2.994	2.259	3.509	5.567
Methyl Bromide Transition Program	1.996	1.506	2.339	3.712
International Science and Education Grants	0.998	0.753	1.170	1.856
Regional Rural Development Centers	0.998	0.753	1.170	1.856
COMPETITIVE PROGRAMS - SUBTOTAL	407.218	307.218	477.218	757.218

DIRECTOR'S DISCRETION	FY 2011	Reduction	Increase 1	Increase 2
Research and Education Activities				
Federal Administration	11.230			
Special Research Grants	2.838			
Extension Activities				
Federal Administration and Special Grants	8.548			
DIRECTOR'S DISCRETION - SUBTOTAL	22.617	22.617	22.617	22.617

	FY 2011	Reduction	Increase 1	Increase 2
		\$ (100)	\$ 100	\$ 500
SINGLE NIFA BUDGET (TOPLINE) TOTAL	1,214.798	1,114.798	1,314.798	1,714.798

Questions & Answers

NIFA single-line funding concept to be discussed
by the
Committee on Legislation and Policy

Note: This document contains some questions and answers that help to clarify the “mechanics” of the concept now under discussion. It does not attempt to address the various political and hypothetical questions that have been raised to date. CLP constituent organizations are urged to raise any questions and/or concerns of that nature in preparation for and during the CLP meeting in September.

Question**Answer****General Questions**

1. Why are we having this discussion?

In light of the federal budget situation and at the specific urging of the Administrative Heads Section, the Policy Board of Directors of the Board on Agriculture Assembly directed its two standing committees — the Committee on Legislation and Policy (CLP) and the Budget and Advocacy Committee — to revisit the concept of a “single funding line” to provide downside protection and potential upside growth for the NIFA programs that support the land-grant system’s infrastructure/capacity. (The single funding line concept was originally recommended by the BAA as part of the CREATE-21 proposal, but was not enacted into law.)
2. What is the basic concept?

Statutory mechanisms would be established to distribute the annual congressional appropriation for the National Institute of Food and Agriculture (NIFA) in a predictable manner.
3. How would this work?

Conceptually, Congress would appropriate a *single* amount for all NIFA programs and the total would be distributed *automatically* in one of two ways depending upon whether the final appropriation was *larger* or *smaller* than a specified “base year.”

“Downside” Questions

4. What would happen if the total amount appropriated was *smaller* than the base year?

The cuts would be absorbed proportionally by those NIFA programs awarded through competitions open to a wide range of entities. After such “competitive” funds are exhausted, then (and only then) would there be proportional cuts to the “capacity/infrastructure” funds which support the land-grant system.

“Upside” Questions

5. What would happen if the total amount appropriated was *larger* than the base year?

All NIFA programs would *first* receive funding equal in amount to what they received in the base year. The excess would then be divided into two pools — “competitive” and “capacity” — with 70 cents of every excess dollar going into the competitive pool and 30 cents into the capacity pool. **(The “70” and “30” are placeholders.)**
6. How would the funds in the capacity and competitive pools be distributed?

Specific formulae have not been determined. For discussion purposes only, it is assumed that the funds within each pool would be divided in the same proportions as in the base year.
7. Is the 70/30 (competitive/capacity) split carved in stone?

No. This was the ratio used in the CREATE-21 proposal. A final “upside” split must be recommended by the CLP.
8. Should there be “set asides” within the competitive or capacity pools?

CREATE-21 included set-asides for the 1 890s, 1994s, and small 1862 land-grant institutions. Whether such set-asides should be included within the present proposal is an open question to be determined by the CLP.

#	Question	Answer
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Questions Applicable to both “Upside” and “Downside” Mechanisms

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| 9. | Has a “base year” been chosen? | No. For discussion purposes only, the most recent fiscal year (FY 2011) is being used. A final base year must be agreed upon by the CLP in consideration of political realities and whether ratios for program lines change substantially for any given year. |
| 10. | Have the NIFA budget lines/programs been divided into “competitive” and “capacity” columns? | No. Under current statutory authority many programs are defined as either “competitive” or “capacity,” but a final list of budget lines will need to be determined by the CLP. Then the programs on that list can be divided into competitive and capacity columns. |

Other Questions

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| 11. | How would earmarks be affected by this proposal? | Appropriations for NIFA special research grants or federal administration grants (earmarks) would not be impacted if and when Congress lifts the earmark moratorium put in place for fiscal years 2011 and 2012. |
| 12. | Does the proposal include any “new” funding for NIFA? | No, it does not. All it would do is provide predictable distribution mechanisms for whatever amount is appropriated for NIFA. |
| 13. | Does the proposal put federal funding for research and extension activities at risk? | No. As is true at the present time, all but four NIFA programs receive funding through the annual congressional appropriations process. (The four programs with mandatory funding expire at the end of FY 2012 and their reauthorization is uncertain.) In fact, the proposal creates new <i>protections</i> for those NIFA research and extension funds that flow directly to land-grant universities. |
| 14. | What is the timeline for finalizing this concept? | The Committee on Legislation and Policy will discuss the concept and make recommendations about how exactly the upside and downside mechanisms would work during its meeting in September 2011. The CLP’s recommendations will then go to the Policy Board of Directors for decision. If the PBD decides to move ahead, legislative language will be drafted later this fall and presented to potential House and Senate champions shortly thereafter. All of this is in preparation for debate on the next Farm Bill which is expected to begin in earnest in late 2011 or early 2012. |
| 15. | How can changes be made to the upside/downside allocation mechanisms? | Changes could be made by the House and Senate Agriculture Committees during their deliberations on the Farm Bill, which occur every five to seven years, or changes could occur during the annual House and Senate Appropriations process. |
| 16. | How would the ability of the NIFA director to make budget decisions be impacted? | There would be little change from the current situation. Congress decides how federal funds are appropriated. The only discretion provided to the director is to set specific parameters for funding distributed through competitive (RFA) awards. |