

**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, Paula Geiger, Bob Shulstad

**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%.