

February 16, 2007

To the NASULGC System:

As you may know, the Budget and Advocacy Committee (BAC) has been charged by the Policy Board of Directors of NASULGC's Board on Agriculture Assembly to develop the system's priority request for federal budget and appropriations matters. The BAC focuses first on the Cooperative State Research, Education, and Extension Service (CSREES) and second on other agencies that provide some funding to a broad cross-section of the system (e.g. Forest Service, Homeland Security).

The BAC has completed our priority-setting process for the fiscal year that begins on October 1, 2007 (F.Y. 2008). Our decisions are set forth in the one page document that is attached.

In addition to the regular issues that we address every year, the BAC was called upon to make some decisions about several issues that were raised in the President's CSREES Budget Request released on February 5:

1. The Administration once again proposed to eliminate the Animal Health and Disease program by zero-funding it.
2. They also proposed to redirect some 60 percent of Hatch funds to a new competitively awarded multistate grants program. (This includes the current statutory requirement that 25 percent of Hatch monies go for multistate efforts.)
3. Similarly, they proposed to redirect 65 percent of McIntire-Stennis funding into a new competitively awarded multistate grants program.
4. Finally, the Administration's Budget requests that \$45.13 million in Section 406 Integrated Activities funds from seven budget lines be moved to the National Research Initiative for administration/management.

The BAC unanimously decided to take the following positions on these issues:

1. We oppose elimination of the Animal Health and Disease program and recommend that it be funded at the F.Y. 2006 and anticipated F.Y. 2007 level of \$5,006,000.
2. We recommend Hatch funding at the projected F.Y. 2007 rate of \$322,597,000.
 - This is a very large increase for Hatch, which was funded at \$176,969,000 in F.Y. 2006. (The F.Y 2007 increase resulted from the elimination of CSREES earmarks.)
 - We support the Administration's proposal for a \$98,597,000 new competitively awarded multistate grants program within the \$322,597,000, leaving \$224,000,000 to be distributed under the regular Hatch formula (including 25 percent for multistate efforts).
 - There was strong and unanimous support for no decrease in Hatch funding as distributed by formula, and should Congress eventually appropriate less than what we've requested (\$322,597,000), the reductions should come from the new competitively awarded multistate grants program.

3. We recommend McIntire-Stennis funding at the projected F.Y. 2007 rate of \$30,008,000.
 - This is a significant increase for McIntire-Stennis, which had been funded at \$22,008,000 in F.Y. 2006. (Again, the F.Y. 2007 increase resulted from the elimination of CSREES earmarks.)
 - We recommend that \$5,000,000 of the \$30,008,000 total in our recommendation be directed – as the Administration has proposed – to a new competitively awarded grants program, with the remaining \$25,008,000 distributed according to the regular formula.
4. We support the Administration's request for an increase in funding for the National Research Initiative (NRI) to a level of \$256,500,000. Included within this amount for the NRI is \$45,130,000 in funding for seven Sec. 406 programs that were previously displayed in the CSREES budget under the "Integrated Activities" heading. There are some compelling reasons for this action:
 - The President's Budget Request provides a unique opportunity to grow two important Sec. 406 programs by \$2,844,000, (\$2,006,000 for the National Integrated Pest Management Initiative (NIPMI) and \$838,000 for the National Integrated Water Program.
 - Funding for the current Sec. 406 program areas is explicitly broken-out within the CSREES "Budget Justification" document submitted to Congress and therefore represents a firm commitment on the part of the agency to keep them intact after an administrative move to the NRI.
 - Inclusion of the Sec. 406 programs within the NRI provides better opportunity for programmatic growth and flexibility. (The \$3 million increase proposed this year by the Administration – the first ever for Sec. 406 programs – is evidence to support this conclusion.)
 - Finally, current Sec. 406 program organization/management is expected to continue under the NRI authorities, as has been repeatedly stated by top CSREES officials. They believe that these programs are highly-functioning and among their strongest. They do not intend that they be weakened, but rather positioned in a funding category that can grow these critical and successful efforts, with demonstrated results, showing how extension, research, and education can be successfully integrated.

We believe these positions are consistent with the direction and priorities established in CREATE-21, while documenting responsiveness to the Administration's long standing concerns. These positions also honor the strong consensus expressed by all sections of the land-grant system that research, extension, and education capacity, based on formula distribution of funds, be sustained.

Sincerely,

Robert D. Steele

M. Scott Smith

FY 2008 Appropriations Request

Cooperative State Research, Education, and Extension Service

Board on Agriculture Assembly

National Association of State Universities and Land-Grant Colleges

February 2007

NASULGC supports the full range of research, teaching, and outreach programs funded through the Cooperative State Research, Education, and Extension Service. However, we support “targeted enhancements” for certain programs that have urgent and substantial unmet needs. In addition, we have put forth a biofuels initiative to greatly increase research and extension activities in this vital field through the land-grant system’s major base fund programs. And, finally, we support the President’s Budget Request for the National Research Initiative.

1890 Land-Grant Programs¹	FY 2006	FY 2007	President	NASULGC
Evans-Allen Program (Research)	37,215,000	40,680,000	38,331,000	46,400,000
1890 Institutions Extension	33,529,000	35,205,000	34,073,000	43,000,000
1994 Land-Grant Programs²	FY 2006	FY 2007	President	NASULGC
1994 Institutions Research	1,029,000	1,544,000	1,067,000	3,000,000
1994 Institutions Extension	3,240,000	3,321,000	3,240,000	5,000,000
Teaching and Extension Programs	FY 2006	FY 2007	President	NASULGC
Institution Challenge Grants	5,423,000	5,423,000	5,445,000	6,000,000
Graduate Fellowship Grants	3,701,000	3,701,000	4,455,000	4,455,000
Expanded Food and Nutrition Education Program	62,008,000	63,538,000	62,280,000	68,500,000
New Technologies for Ag Extension (eXtension)	1,485,000	1,485,000	2,970,000	2,970,000
Renewable Resources Extension Act	4,019,000	4,019,000	4,052,000	8,000,000
Resident Instruction Grants - Insular Areas	495,000	495,000	495,000	700,000
Increased Research and Extension Capacity	FY 2006	FY 2007	President	NASULGC
Hatch Act ³	176,969,000	322,597,000	164,430,000	322,597,000
McIntire-Stennis Cooperative Forestry ⁴	22,008,000	30,008,000	20,487,000	30,008,000
Smith Lever 3(b) and 3(c)	272,973,000	285,565,000	273,181,000	300,000,000
National Research Initiative	FY 2006	FY 2007	President	NASULGC
National Research Initiative ⁵	181,170,000	190,229,000	256,500,000	256,500,000

1. NASULGC’s Council of 1890 Presidents/Chancellors supports increasing the 1890 Institutions’ Capacity Building Grants Program (to \$24.5 million) and the 1890 Institutions’ Facilities Program (to \$24.5 million).
2. NASULGC supports the 1994 Presidents’ request to maintain funding for the 1994 Institutions Equity Grants Program at the FY 2007 level of \$3.342 million.
3. NASULGC supports the provision in the President’s FY 2007 Budget Request to establish a new competitively awarded multi-state grants program under Hatch Act authorities. However, this support is contingent upon an appropriation of at least \$224 million for distribution under the regular Hatch procedures.
4. NASULGC also supports the provision in the President’s FY 2007 Budget Request to establish a new competitively-awarded multi-state grants program under McIntire-Stennis. Again, however, this support is contingent upon an appropriation of at least \$25 million for distribution under the regular McIntire-Stennis procedures.
5. NASULGC supports the consolidation of seven Section 406 (Integrated Activities) funding lines within the NRI, so long as sufficient funding is available to support all of these efforts at no less than their FY 2007 levels.