

FY 2018 Appropriations Update - President's Budget Released

On May 23, President Donald Trump released the administration's budget request, officially beginning the Fiscal Year (FY) 2018 budget and appropriations process. The request calls for a \$3.6 trillion spending cut over 10 years, and assumes an inflation-adjusted annual growth rate of 2.4 percent. The blueprint calls for increasing defense discretionary spending by \$27 billion to \$603 billion. Non-defense discretionary spending would be reduced by \$42 billion to \$462 billion.

Congress is still operating under the Budget Control Act, amended by the Bipartisan Budget Act of 2015, which sets budget caps through FY 2024. Therefore, to enact the proposed increases for defense discretionary spending in FY 2018, Congress would need to pass a new budget resolution, or amend the Budget Control Act. The House and Senate Budget Committees are slated to meet on May 24th and 25th, respectively, to react to the budget request. The House Budget Committee is drafting its version of a budget resolution, and will likely hold a markup hearing in early June.

The budget proposes \$21 billion in FY 2018 discretionary spending for the U.S. Department of Agriculture, a \$4.8 billion reduction from FY 2017. Funding for mandatory programs is estimated to be \$116 billion, which is a \$7 billion reduction. The budget proposes a reduction to the Supplemental Nutrition Assistance Program of \$193 billion over ten years.

The President's discretionary request includes \$1.253 billion for the National Institute of Food and Agriculture (NIFA), which is a reduction of \$110.13 million, or roughly 8 percent. Three other prominent research agencies of interest were targeted for cuts:

Agency (All \$Millions)	FY 2017 Enacted	FY 2018 PBR	Difference	%
National Institutes of Health	34,084.000	26,920.000	(7,164.000)	(21)
National Science Foundation	7,472.215	6,652.888	(819.327)	(11)
Agricultural Research Service	1,170.235	993.144	(177.091)	(13)

Below you will find the NIFA table with the individual account numbers as proposed in the President's FY 2018 budget request:

National Institute of Food and Agriculture		
FY 2018		
(All \$Millions)		
Research and Education Activities	FY 2017	FY 2018
	Enacted	PBR
Hatch Act	243.701	243.238
McIntire-Stennis Cooperative Forestry Act	33.961	28.867
Research at 1890 Institutions (Evans-Allen Program)	54.185	54.082
Payments to the 1994 Institutions (tribal Colleges Education Equity Grants Program)	3.439	3.432
Education Grants for 1890 Institutions	19.336	19.299
Education Grants for Hispanic-Serving Institutions	9.219	9.202

Education Grants for Alaska Native and Native Hawaiian-Serving Institutions	3.194	3.188
Research Grants for 1994 Institutions	1.801	1.798
Capacity Building Grants for Non Land-Grant Colleges of Agriculture	5.000	0.000
Grants for Insular Areas	2.000	1.996
Agriculture and Food Research Initiative	375.000	349.335
Veterinary Medicine Loan Repayment	6.500	4.991
Veterinary Services Grant Program	2.500	0.000
Continuing Animal Health and Disease Research Program	4.000	0.000
Supplemental and Alternative Crops	0.825	0.000
Multicultural Scholars, Graduate Fellowship and Institution Challenge Grants	9.000	0.000
Secondary and 2-year Post-Secondary Education	0.900	0.000
Aquaculture Centers	4.000	0.000
Sustainable Agriculture Research and Education	27.000	19.009
Farm Business Management	1.450	0.000
Sun Grant Program	3.000	0.000
Alfalfa and Forage Research Program	2.250	0.000
Minor Crop Pest Management (IR-4)	11.913	11.890
Special Research Grants		
Global Change/UV Monitoring	1.405	0.000
Potato Research	2.250	0.000
Aquaculture Research	1.350	0.000
Necessary Expenses of Research & Education Activities		
Grants Management Systems	7.830	7.424
GSA Rent and DHS Security Expenses	5.960	0.000
Federal Administration - Other Necessary Expenses	6.549	11.862
Subtotal	849.518	769.613
Extension Activities	FY 2017	FY 2018
	Enacted	PBR
Smith-Lever Act, Sections 3(b) and (c) programs and Cooperative Extension	300.000	299.430
Extension Services at 1890 Institutions	45.620	45.533
Extension Services at 1994 Institutions	4.446	4.438
Facility Improvements at 1890 Institutions	19.730	19.693
Renewable Resources Extension Act	4.060	0.000
Rural Health and Safety Education Programs	3.000	0.000
Food Animal Residue Avoidance Database Program	1.250	1.248
Women and Minorities in STEM Fields	0.400	0.000
Food Safety Outreach Program	5.000	4.990
Smith-Lever Act, Section 3(d) programs:		
Food and Nutrition Education (EFNEP)	67.934	67.805
Farm Safety and Youth Farm Safety Education Programs	4.610	0.000
New Technologies for Agriculture Extension	1.550	0.000
Children, Youth, and Families at Risk	8.395	8.379
Federally Recognized Tribes Extension Program	3.039	3.033

Necessary Expenses of Extension Activities		
Agriculture in the K-12 Classroom	0.552	0.551
Federal Administration - Other Necessary Expenses for Ext. Activities	7.805	7.791
Federal Administration - Eliminated New Hires	0.000	-0.439
Federal Administration - Pay Costs	0.000	0.439
Subtotal	477.391	462.890
Integrated Activities	FY 2017	FY 2018
	Enacted	PBR
Methyl Bromide Transition Program	2.000	0.000
Organic Transition Program	4.000	0.000
Regional Rural Development Centers	2.000	0.000
Food and Agriculture Defense Initiative	8.000	5.684
Crop Protection / Pest Management Program	20.000	14.592
Subtotal	36.000	20.276
Total NIFA	FY 2017	FY 2018
	Enacted	PBR
	1,362.909	1,252.779

You can view the USDA congressional justification and budget summary at:
<https://www.obpa.usda.gov/>.

As always, we will continue to keep you informed as further developments occur.

THE CORNERSTONE TEAM