

Item 8.2

BAA Committee on Legislation and Policy

Presenters: Steve Pueppke and Mike Harrington

For information only

Background

This BAA committee has representation from all parts of the family making for a large diverse group with many interests. We have had several conference calls and a recent face to face meeting on Sept 7-8 to discuss the so-called one line budget proposal. With the exception of the latter, all minor legislative issues have been endorsed by the committee. The one line budget proposal (Version 1.0) of the CLP proposal emanates from the CREATE-21 effort in the last Farm Bill which proposed a one line budget with a 70:30% allocation between competitive and capacity programs for new funds (See attachment 1). Based on discussions during the last several years (including CREATE-21), the following would be tenets for a one-line funding concept for NIFA funding:

- Provide downside protection on capacity funding if appropriations are reduced, and
- Assure increases in capacity funding when new appropriations are made.

Based on feedback received at the recent CLP meeting this ratio was proposed to be 55:45% competitive to capacity primarily due to Extension members wanting to increase capacity funding on parity with research funds (Attachment 2, Version 2.0). However, there appear to be some erroneous assumptions with research funding levels because not all competitive funds come to the SAES system. A second proposal advanced was to include a 22.5% set aside for capacity building at small 1862, territories and 1890 institutions. This proposal was also part of C-21. Small 1862s would be defined as those institutions receiving than 1% of NIFA funds including formula and competitive funds.

Fundamental details:

- There would be a “base year” from which all calculations would be made
- If funding is reduced, funds would be taken from the competitive pool.
- Funds will be made available to carry out capacity and infrastructure programs in an amount up to or equal to the capacity and infrastructure funding levels in the “base year.” The NIFA Director will apportion the funds in accordance with the proportions that each applicable capacity and infrastructure program received during the critical base funding year.
- After NIFA funds equal to the capacity and infrastructure critical base funding level have been allocated for capacity and infrastructure programs, funds will be made available to carry out competitive programs until funds are allocated in an amount equal to the competitive program during the critical base funding year
- Any NIFA funding in excess of the amounts needed to fulfill items 1 and 2 will be made available by allocating 70% of the amount of excess funding to competitive programs and 30% to capacity and infrastructure programs in accordance with the proportions that each applicable capacity and infrastructure program received during the critical base funding year.

Discussion Points

- What are the political ramifications? What are you hearing from your delegations?
- What are the unintended consequences?
- What year should be the base for calculations? (Generally, this is the last enacted budget year.)

Key decision points for the ESS:

- Does the Section support the overall concept of this proposal?
What is the base year?
What is the appropriate split of funds? 55:45, 60:40, 70:30?
- Does the Section support a set aside capacity program or something like an EPSCoR program?

Unresolved Issues:

The committee will hold a conference call on Thursday Sept 22 to discuss undecided issues:

- Have the NIFA funding lines been correctly delineated as either “capacity/infrastructure” or “competitive”?
- If FY 2011 becomes the “base year,” how should we treat “new starts”? (Example: the AASCARR (Non-Land-Grant) Universities Capacity Building Program proposed in the Senate version of the FY 2012 bill.)
- Should there be an enhancement pool for both “capacity” and “competitive” sides of the ledger?
- How should the 22.5% competitive enhancement pool funds be distributed?
- Should capacity enhancement pool funds be competed among eligible institutions?