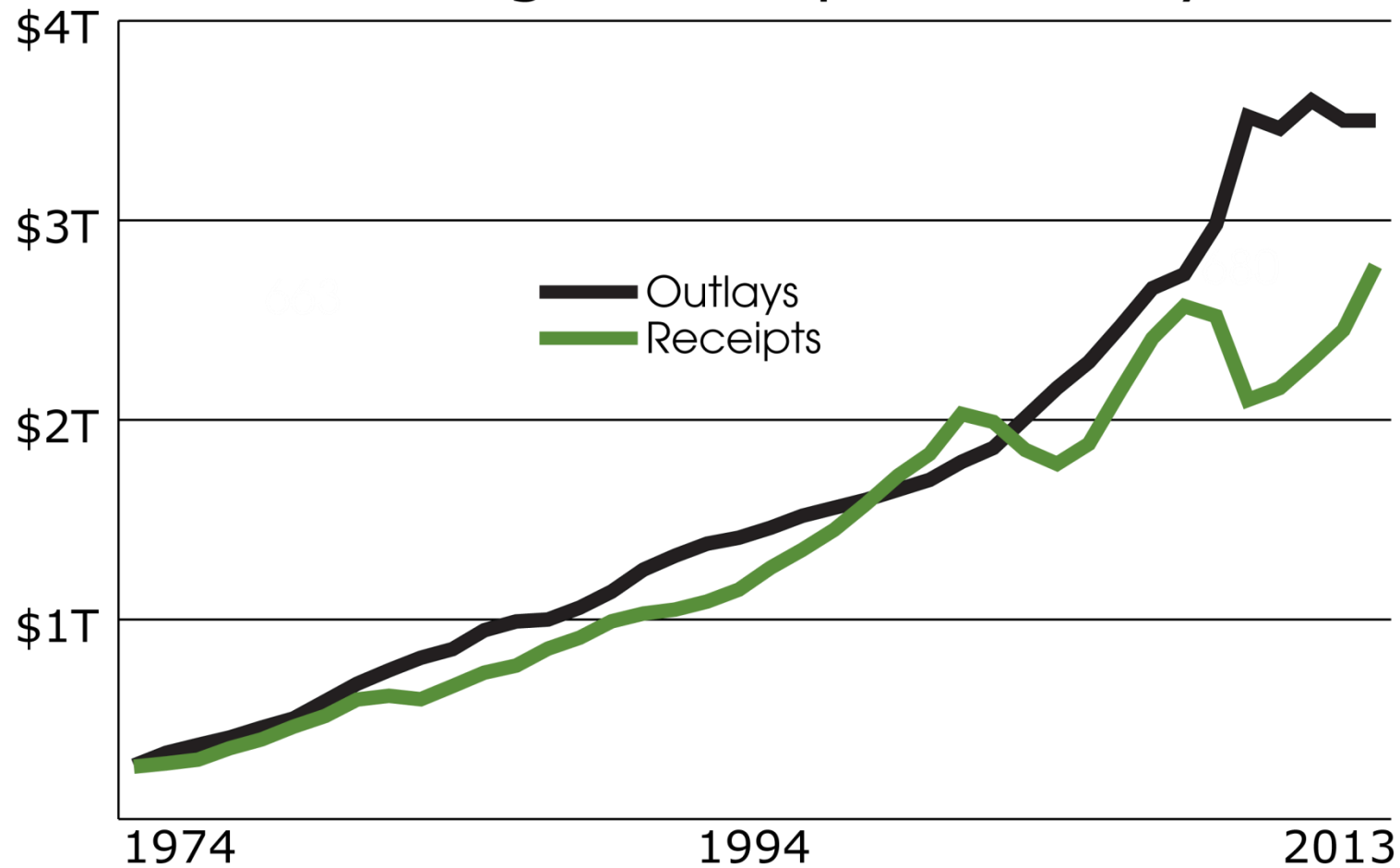


**SAAESD Spring Meeting**  
**April 1, 2014**

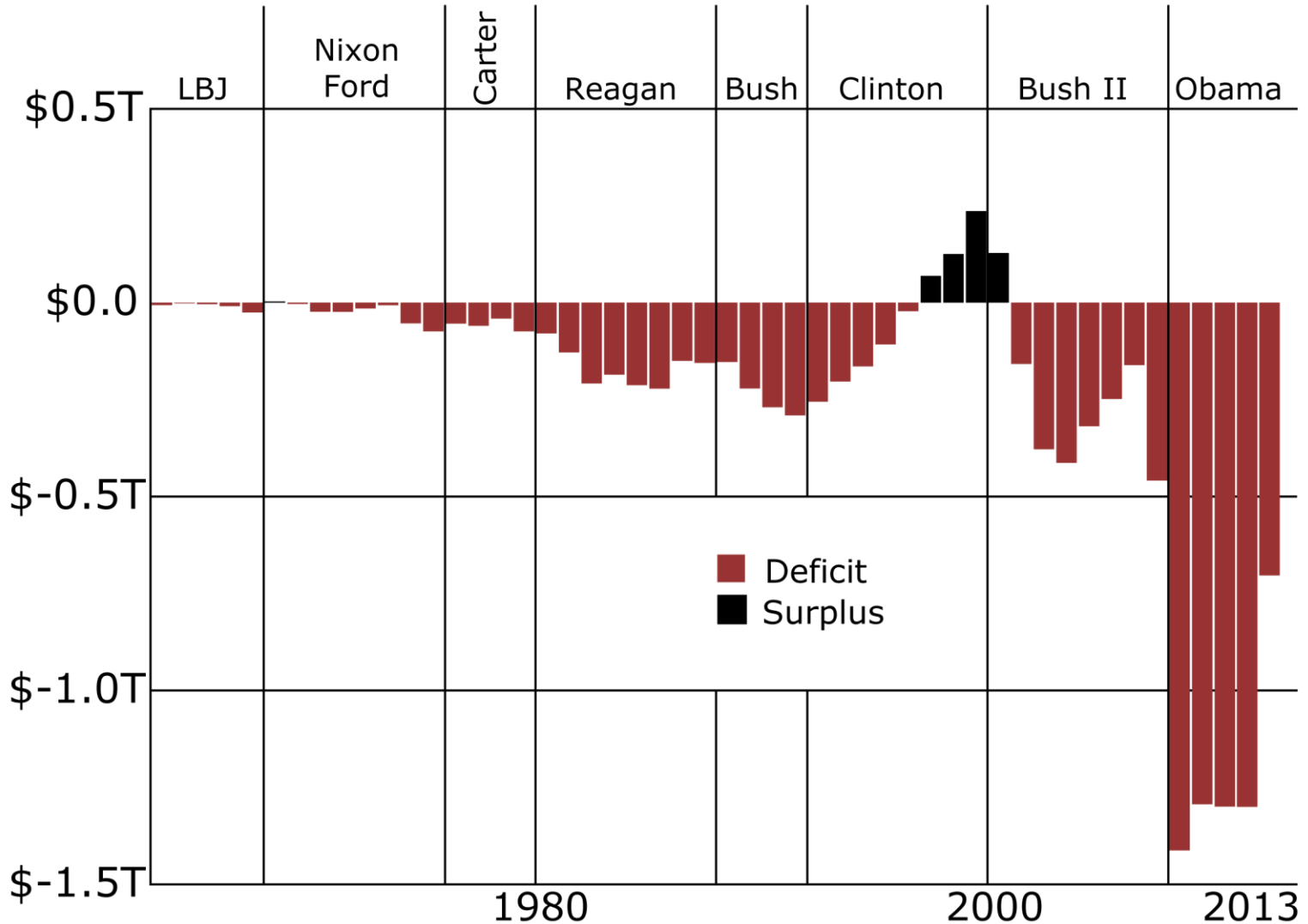
# Current Fiscal Landscape

- Budget deficits still matter (but not as much)
- Why do they matter. . .

# Federal Budget Receipts / Outlays



# Budget Deficit/Surplus by President



# Where are we today?

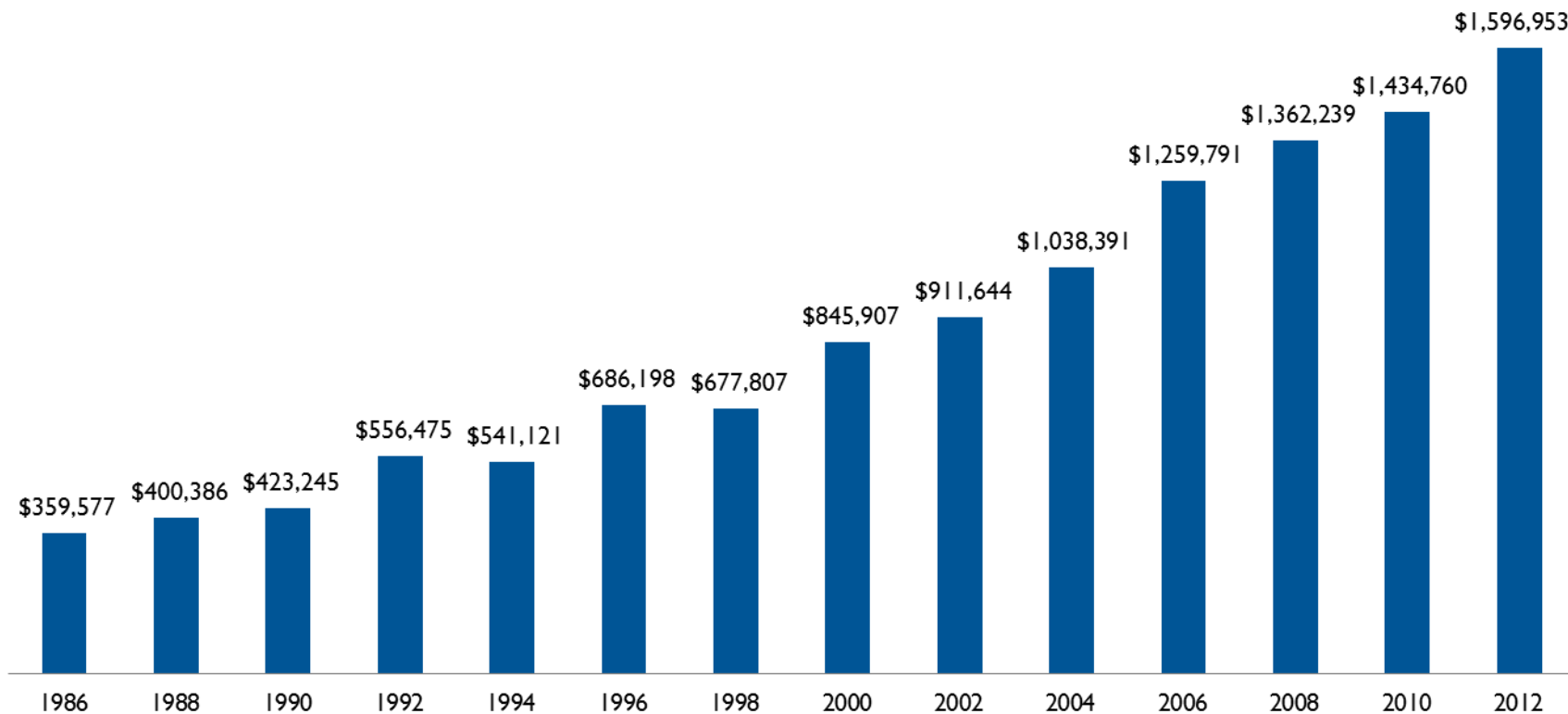
- In the last six months we have seen showdowns over raising the debt ceiling
- Struggle over the FY 2014 appropriations process
- Government shutdown in October
- The 113<sup>th</sup> Congress passed under 60 bills-- the least productive of any Congress since 1947
  - Is that positive or negative?

# Congress buffeted by Partisan Politics

- Americans are divided
- Outside groups exert oversize influence
- Moderates (and some not so moderate) attacked by the far right and the far left
- Congressional races more expensive than ever
  - House races average \$1.5 million
  - Senate races average multiple millions

# On Average, House Winners Raised Over \$1.5 Million In 2012

## Average Amount Raised by Congressional Winners



### Analysis

- House campaign winners raised over four times the amount of funds in 2012 as they did in 1986
- While money alone does not guarantee a candidate's success, fundraising often serves as the "ante" necessary to enter the political game—those candidates who fall behind their opponents in fundraising may also fail to gain a means of support

# **2010 – 2014: Partisan Gridlock**

## **President Obama vs. Republican House**

- Currently, over 45% of Congressional members are new since 2008
  - Many have never seen “regular order” legislative process
- Banning earmarks, complicates appropriations process
- Budget Control Act and Supercommittee
- Impacts of Sequester



# Current Fiscal/Political Landscape

- Bipartisan Budget Act of 2013 provides “breathing room”
  - FY 2015 congressional budget ceiling already set? Senate says yes, but House...?
  - Return to “regular order” appropriations process?

# Beginning of return to normal order?

- October shutdown: Republicans react against outside conservative groups
- FY 2014 Omnibus: a sign of hope
- Passage of 5-year Farm Bill

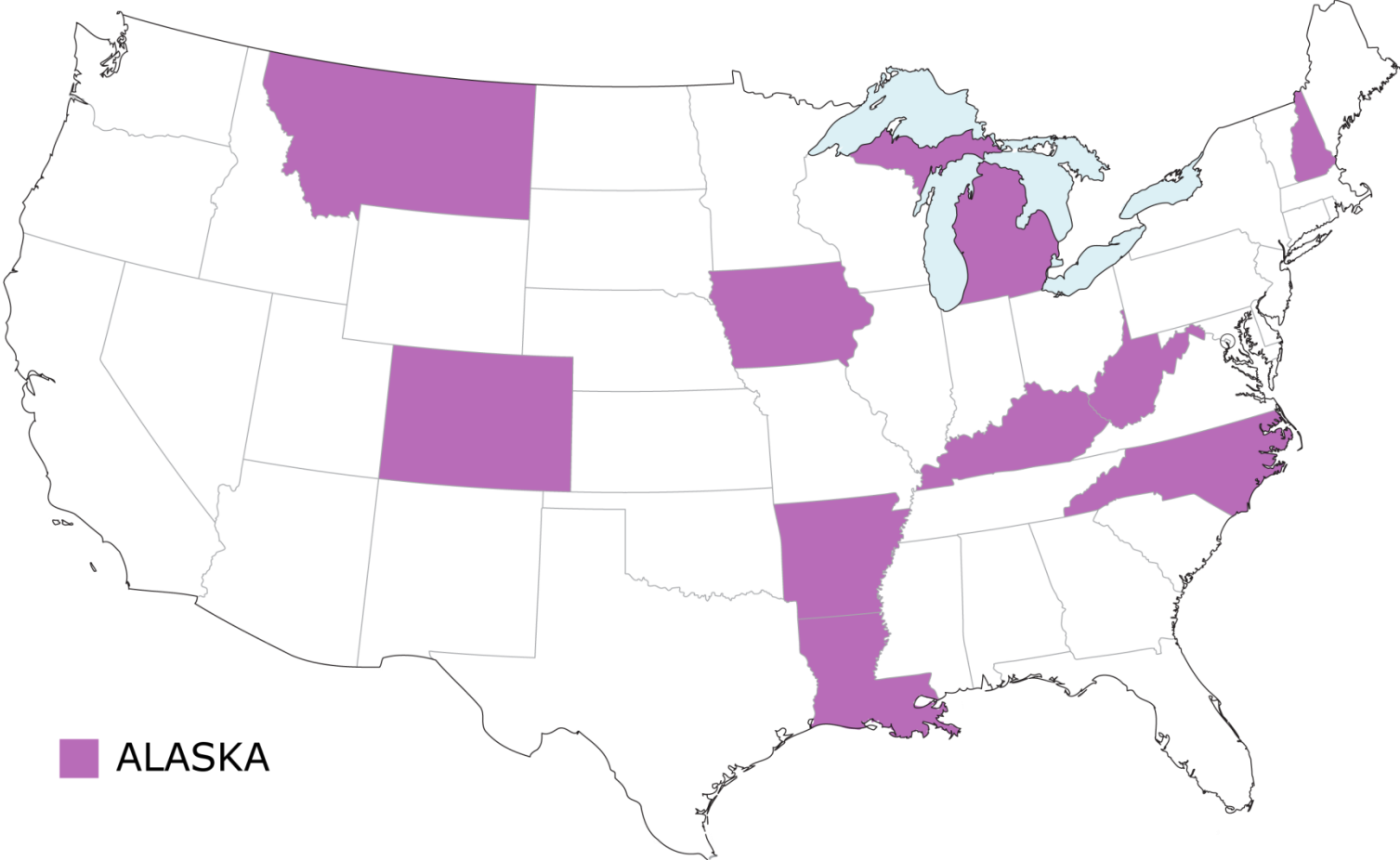


# FY 2015 President's Budget

- Murray-Ryan budget deal set FY15 discretionary budget cap at \$1.014 trillion, slightly above the FY14 top-line of \$1.012 trillion
- President's budget request released on March 4
  - Includes new research initiatives—realistic?
- Appropriations Chairs Mikulski and Rogers want to begin process early
  - Markups in April-May-June, aiming to finish bills before end of fiscal year and November mid-terms

# **2014 Election Outlook**

# States with Key Senate Elections



# Members Leaving House For Other Offices, Retirement

## Members Leaving the House of Representatives



Updated 2/18/14

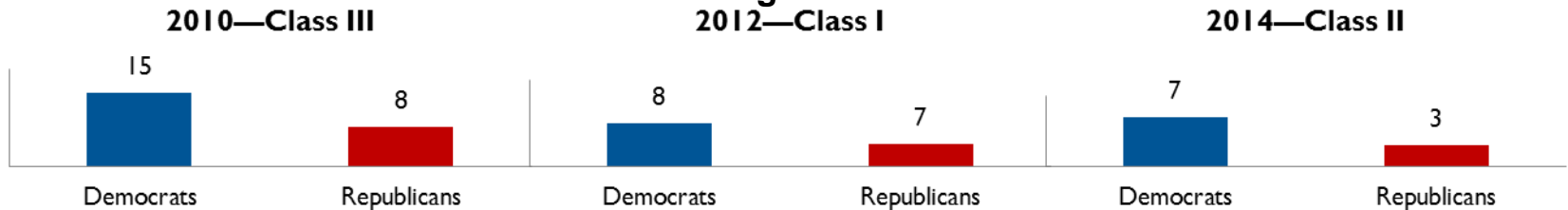
<b>Sent to Senate</b>	Ed Markey (MA-06)	Tim Scott (SC-01)	
<b>Running for Senate</b>	Colleen Hanabusa (HI-01) Bruce Braley (IA-01) Gary Peters (MI-14)	Tom Cotton (AR-04) Jack Kingston (GA-01) Paul Broun (GA-10) Phil Gingrey (GA-11) Bill Cassidy (LA-06)	Steve Daines (MT-AL) Jim Lankford (OK-05) Steve Stockman (TX-36) Shelly Moore Capito (WV-02)
<b>Running for Governor or Other Office</b>	Michael Michaud (ME-02) Allyson Schwartz (PA-13) Gloria Negrete McLeod (CA-35)		
<b>Retiring</b>	George Miller (CA-11) Henry Waxman (CA-33) Mike McIntyre (NC-07) Carolyn McCarthy (NY-04) Bill Owens (NY-21) Jim Matheson (UT-04) Jim Moran (VA-08) Rush Holt (NJ-12)	Spencer Bachus (AL-06) Tim Griffin (AR-02) Buck McKeon (CA-25) John Campbell (CA-45) Tom Latham (IA-03) Doc Hastings (WA-04)	Michele Bachmann (MN-06) Howard Coble (NC-06) Jon Runyan (NJ-03) Jim Gerlach (PA-06) Frank Wolf (VA-10)
<b>Resigned</b>	Melvin Watt (NC-12) Robert Andrews (NJ-01)	Jo Bonner 1(AL-01) Trey Radel (FL-19)	Rodney Alexander (LA-05) Jo Ann Emerson (MO-08)
<b>Passed Away</b>		Bill Young (FL-13)	

**Analysis**

- Of the 42 members leaving the House (25 Republicans and 17 Democrats), 17 are departing for other races, while 18 are retiring from politics
- The Iowa and Arkansas delegations will both lose half their members—and their accompanying seniority—in 2014, while California will give up a committee chair and two ranking members who would otherwise be in a position to advocate for the Golden State’s interests

# In Recent Years, Most Senators Have Left on Own Terms

## Senators Leaving the Senate



<b>Elected Governor</b>	Sam Brownback (KS)					
<b>Lost Reelection</b>	Blanche Lincoln (AR) Arlen Specter (PA) Russ Feingold (WI)	Bob Bennett (UT)	Richard Lugar (IN) Scott Brown (MA)			
<b>Retiring</b>	Chris Dodd (CT) Evan Bayh (IN) Byron Dorgan (ND)	George LeMieux (FL) Jim Bunning (KY) Kit Bond (MO) Judd Gregg (NH) George Voinovich (OH)	Joe Lieberman (CT) Daniel Akaka (HI) Kent Conrad (ND) Ben Nelson (NE) Jeff Bingaman (NM) Jim Webb (VA) Herb Kohl (WI)	Jon Kyl (AZ) Olympia Snowe (ME) Kay Bailey Hutchison (TX)	Tom Harkin (IA) Carl Levin (MI) Tim Johnson (SD) Jay Rockefeller (WV)	Saxby Chambliss (GA) Mike Johanns (NE) Tom Coburn (OK) ‡
<b>Resigned</b>	Ken Salazar (CO) Joe Biden (DE) † Ted Kaufman (DE) † Roland Burris (IL) Paul Kirk (MA) * Hillary Clinton (NY) * Carte Goodwin (WV) *	Mel Martinez (FL)	John Ensign (NV) Jim DeMint (SC) ‡		John Kerry (MA) Max Baucus (MT)	
<b>Passed Away</b>	Ted Kennedy (MA) * Robert Byrd (WV) *	Daniel Inouye (HI) ‡			Frank Lautenberg (NJ)	

\*Class 1 Senator. †Class 2 Senator. ‡Class 3 Senator. Unless otherwise noted, Senators belong to the year and class indicated

### Analysis

- Over the past six years, six Senators have lost reelection, while 35 have retired or resigned on their own terms




Source: Roll Call Casualty List 2014, 2012, and 2010

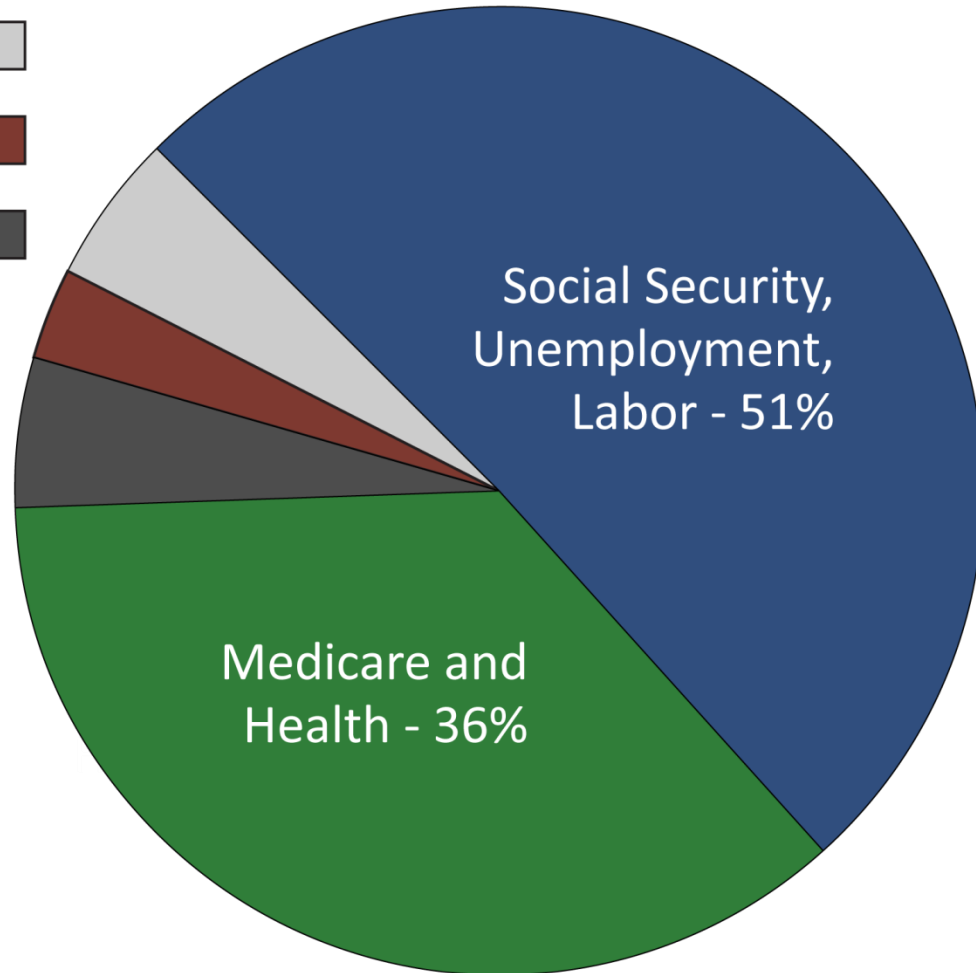
# **Basic Ag Budget Facts**

**We are not the problem!**



# Mandatory Federal Outlays FY 2014

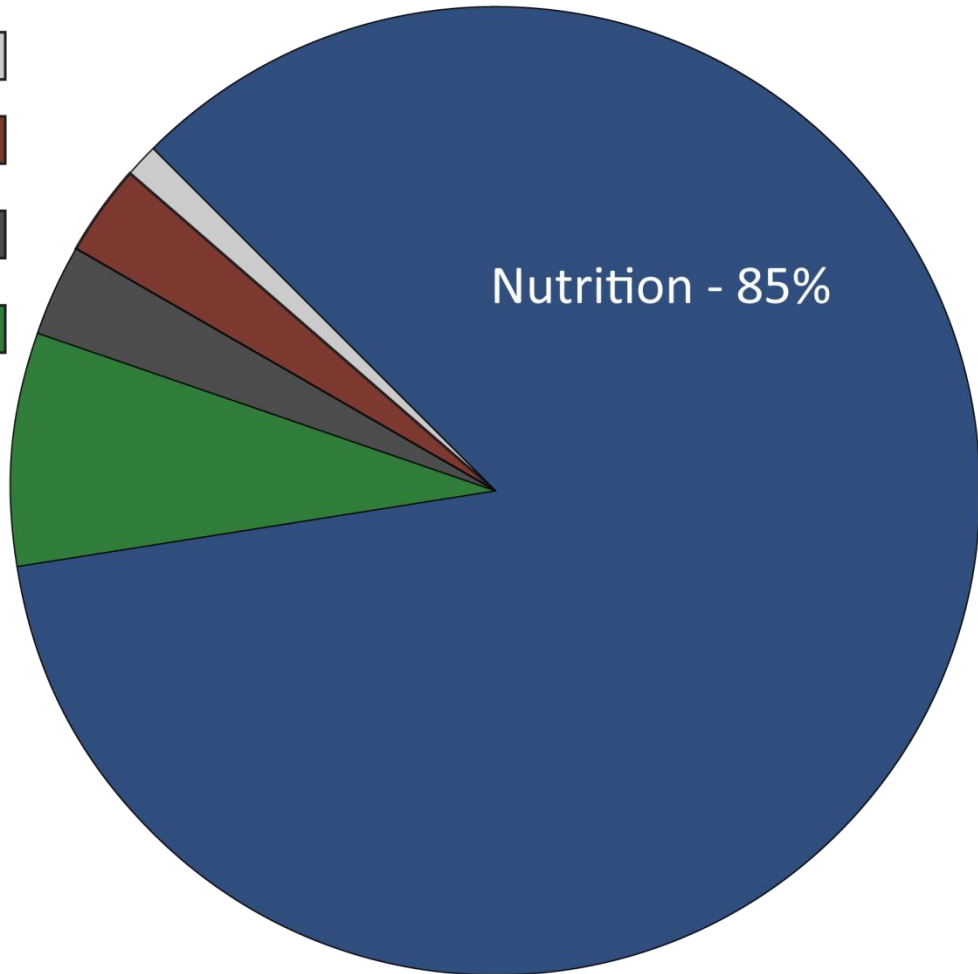
- Food/Ag - 5% 
- Veterans - 3% 
- Highways - 5% 



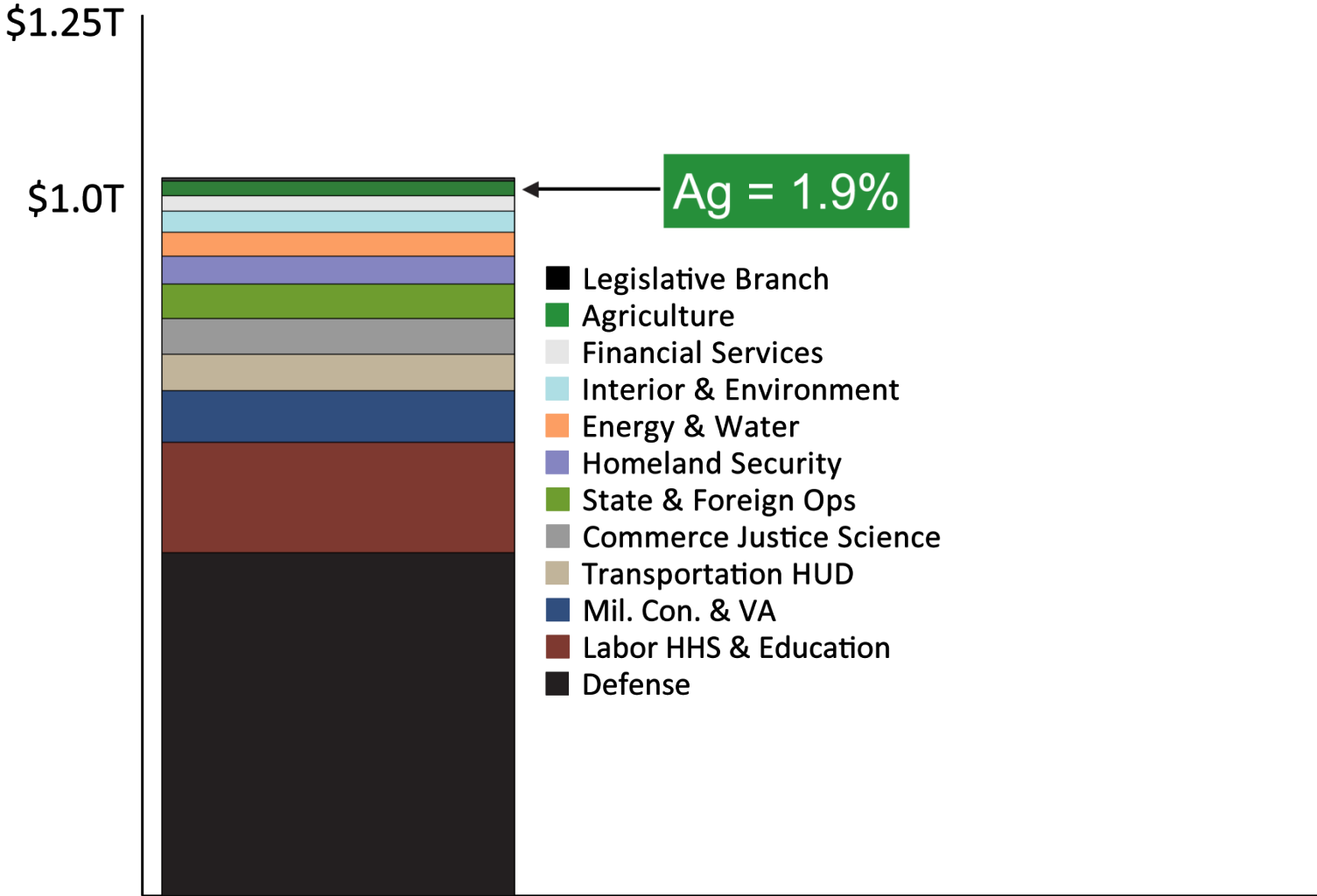
# Mandatory USDA Outlays FY 2014

- Marketing - 1% 
- Conservation - 3% 
- Crop Insurance - 3% 
- Commodities - 8% 

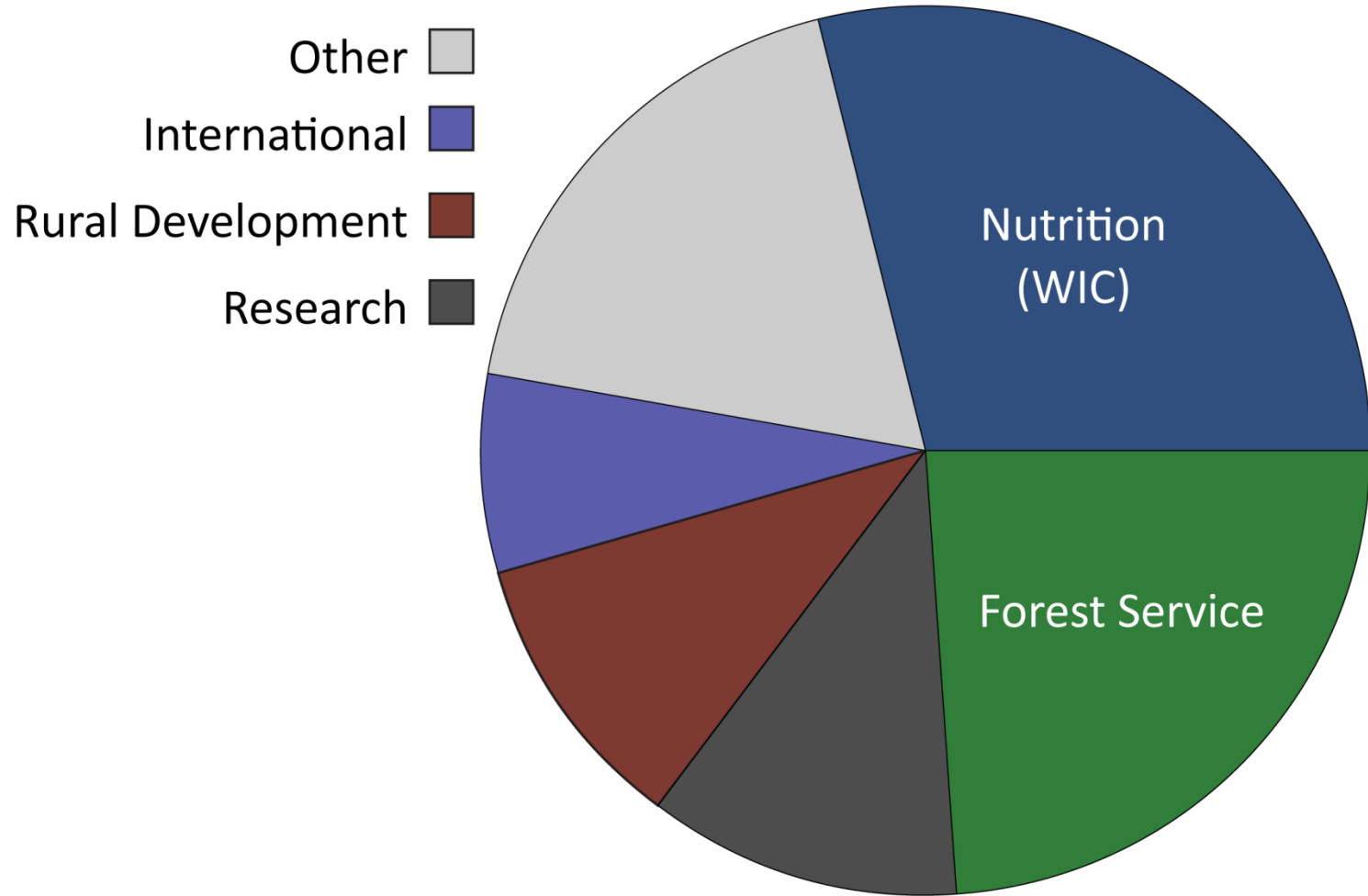
Research so small  
it's not even visible!



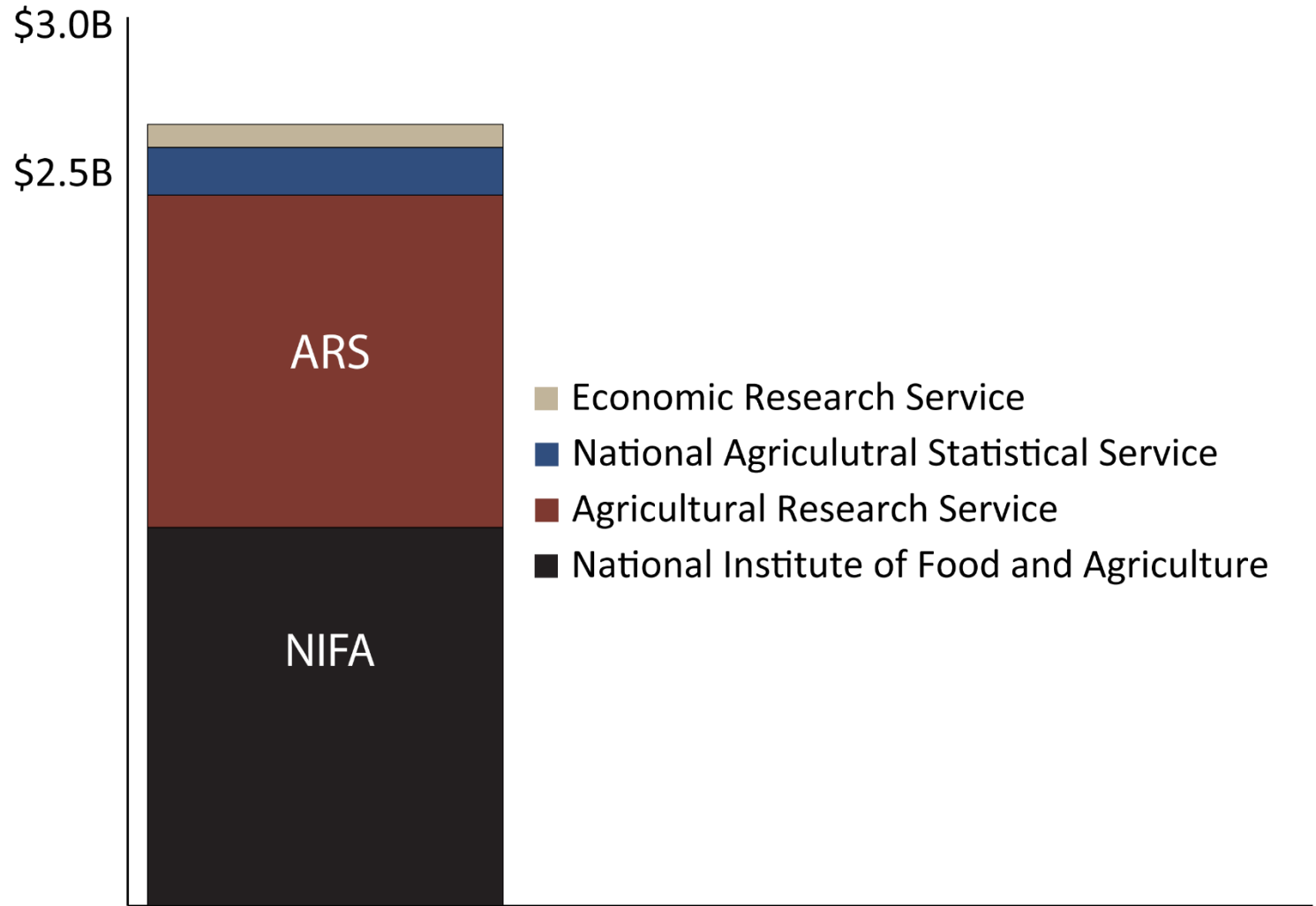
# Discretionary Federal Spending FY 2014



# Discretionary USDA Spending FY 2014



# REE Agency Discretionary FY 2014



# FY 2015 Requests



# **BAC Standard Approach**

- Final NIFA priorities set after President's Budget released
- Ratified by Policy Board (PBD)
- Delivered to Hill by CARET-AHS
- Follow-up advocacy by Cornerstone and system

# BAC Guiding Principles

- Focus on widely-beneficial programs (budget lines)
- Maintain year-to-year consistency
- Don't undercut President's Budget Request
- Most important: Be realistic!



# Adjustments to Usual Process

- President's FY 2015 Budget Request contained many “new proposals”
- Adheres to Bipartisan Budget Act of 2013 (replaced sequestration) discretionary levels
- Creates new Innovation Institutes—\$25 million/institute/year for 5 years includes Pollination and Pollinator Health; National Network for Manufacturing Innovation; and Anti-Microbial resistance

# Reality or Fantasyland?

- Creates \$56 billion Opportunity, Growth, and Security Initiative--offset with spending reductions (\$ Billions from Crop Insurance) and tax reform
- OGS Initiative increases REE funding \$277,220 million including \$197 M for Southeast Poultry Disease Research Laboratory, \$60 M for AFRI, and \$20 M for competitive Hatch and Evans-Allen

# FY 2015 Overall

- Unlikely to have a larger allocation = unlikely to see increases unless funding is reallocated among programs
- Subcommittee allocations will be public next week when the full committee marks up MilCon/VA
- WIC is the driver in ag approps bill
- Other holes to fill this year--rural housing, water and waste and rural business programs

# Outlook Cloudy or Worse (What/Where to cut?)

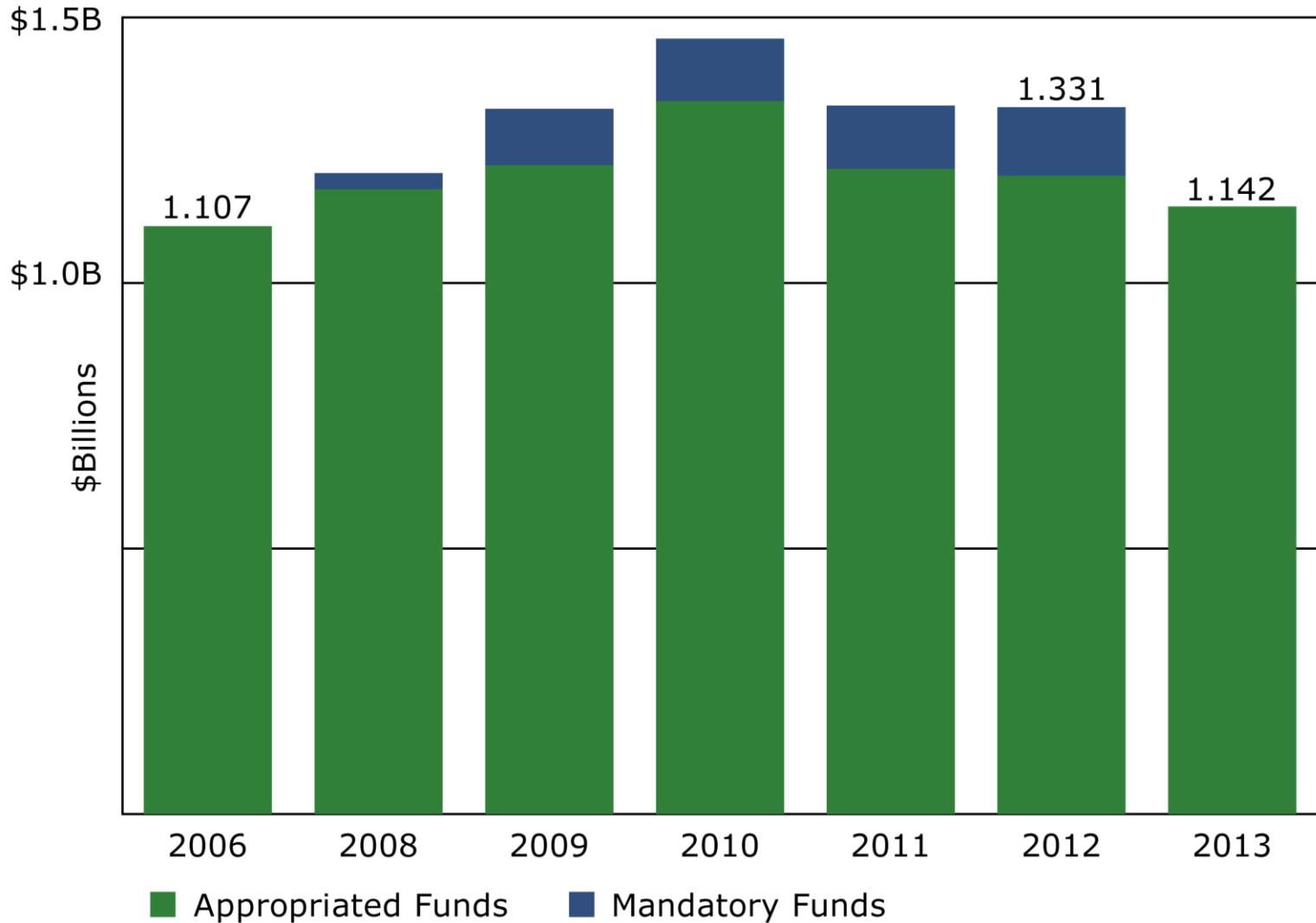
- AFRI--\$316M FY 14/BR \$325M FY 15 (\$360M)
- AHAD--\$4 M FY 14/BR \$0 (\$10M)
- Innovation Institutes—Why not raised during farm bill discussions?—AFRI appropriate?
- OGS Initiative--Chairman Rogers said the committee will not consider the initiative as it is over the FY 15 cap
- FFAR—CHIMP for \$200 M?

# **What a Difference a Year Makes**

# 12 Months of Downs...

- January 2013 – One year Farm Bill, no NIFA mandatory funds
- March 2013 – sequestration hits
- April 2013 – most NIFA programs cut by 8 percent

# NIFA Funding FY 2006 to FY 2013



# **12 Months of Downs and Ups!**

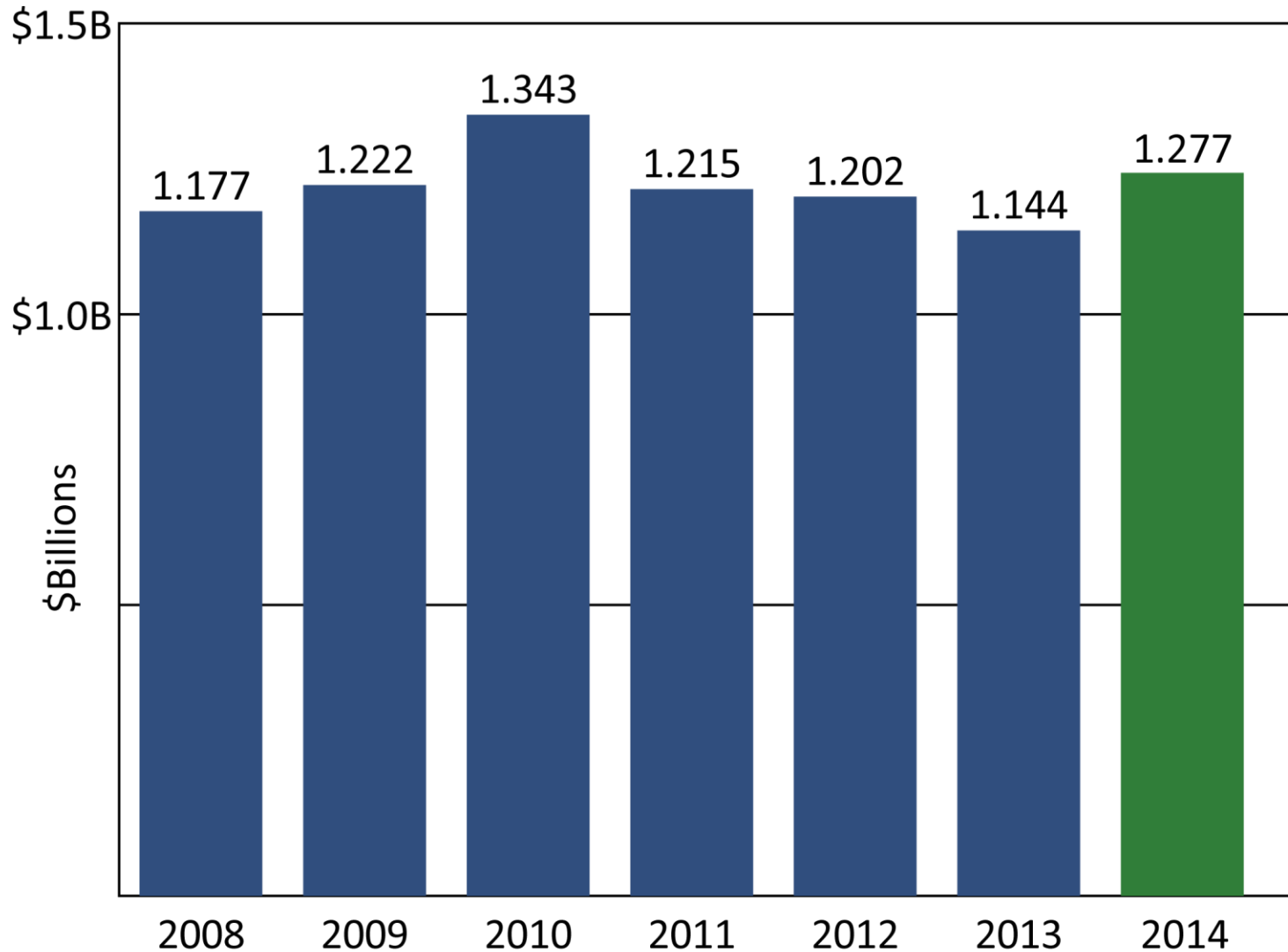
- December 2013 – Bipartisan Budget Act
- January 2014 – FY 2014 appropriations
- January 2014 – New five-year Farm Bill



# FY 2014 Appropriations Results

- Sequestration cuts restored
- Capacity lines up modestly (\$17M)
- AFRI up \$39.4M
- Pest management programs/lines consolidated

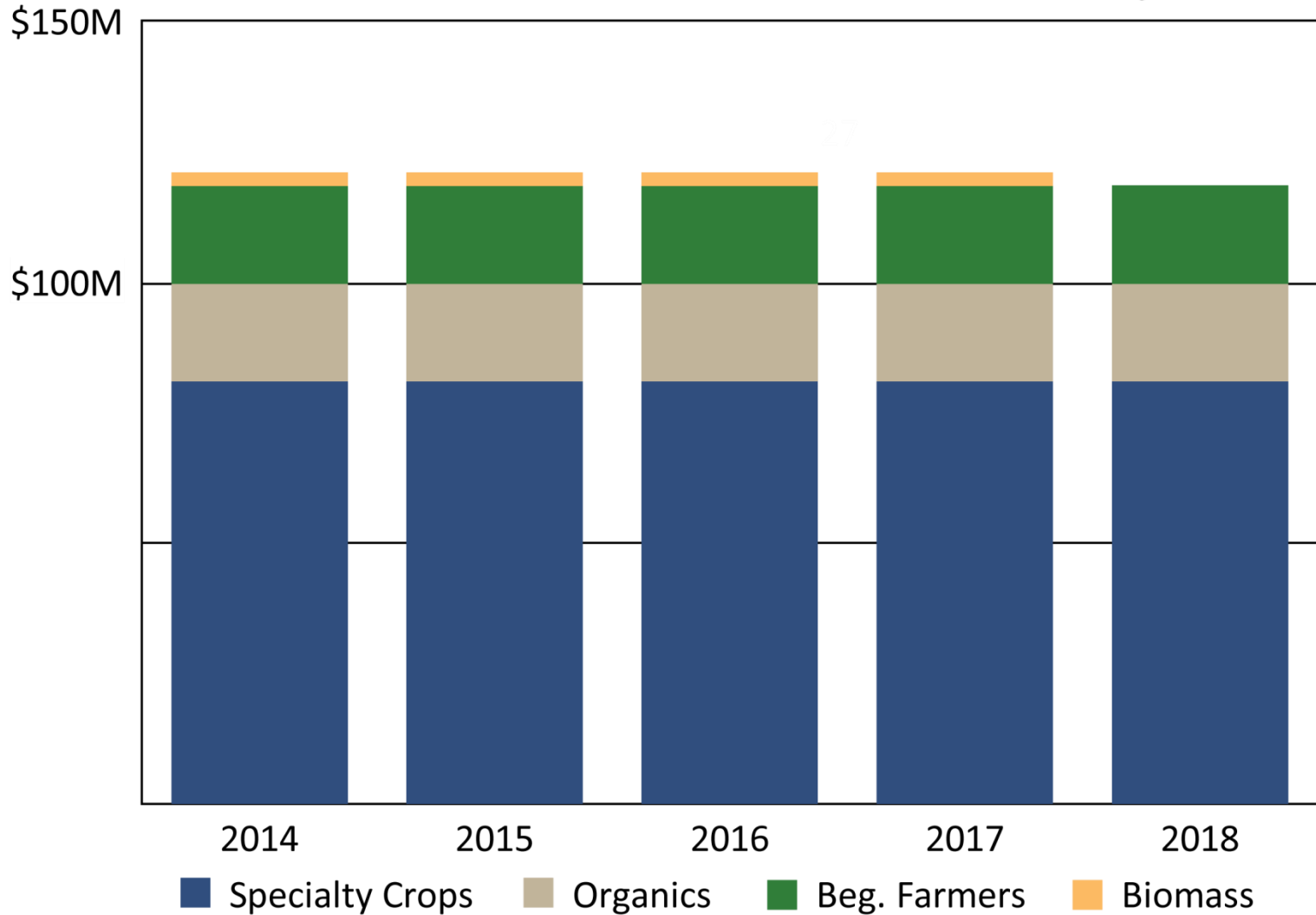
# NIFA Topline Appropriation



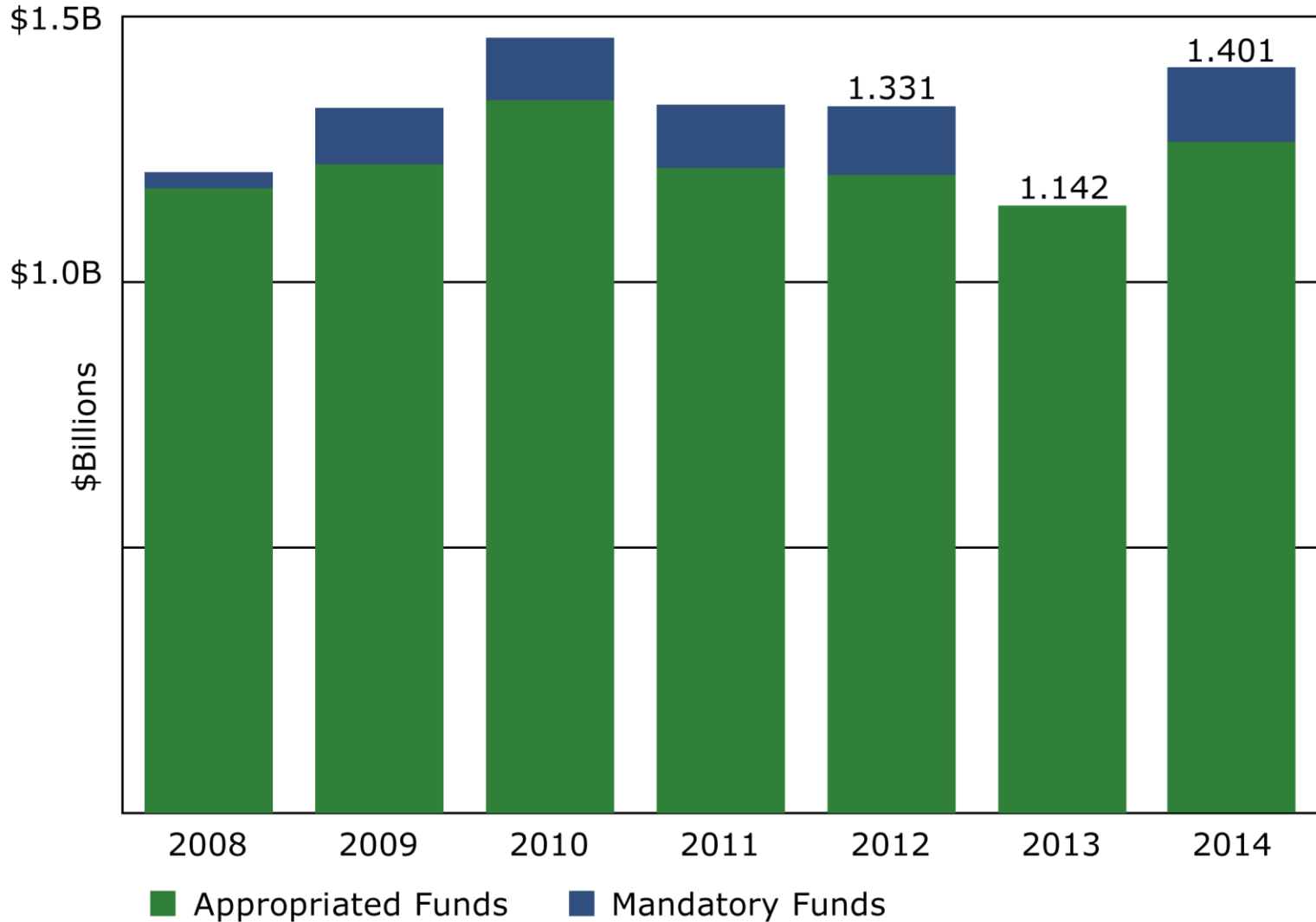
# 2014 Farm Bill Results

- Five-Year bill (FY 2014 to FY 2018)
- System's requests adopted
- New matching fund requirement
- Foundation for Food and Ag
- New 1890 Univ. (Central State)
- \$600 million in mandatory funds

# 2014 Farm Bill - NIFA Mandatory



# NIFA Funding FY 2008 to FY 2014



# Repeating Our Success



SAAESD Spring Meeting April 1, 2014

# FY 2015 NIFA Priorities

- AFRI: \$360,000
- Hatch: \$243,701
- McIntire-Stennis: \$33,961
- Evans-Allen: \$52,485
- Smith-Lever: \$300,000
- 1890 Extension: \$43,920
- 1994 R & E: \$6,247

# CALL TO ACTION

- Deadline for FY 2015 Programmatic Appropriations Requests for House has passed (March 31)
- FY 2015 programmatic appropriations requests for the Senate are due by Friday, April 4.
- Use the updated AFRI document which reflects the modified request of \$360 million.



# Contact offices

- Express gratitude for FY 2014 results
- Then move on to FY 2015 discussion

# Appropriations Process

- Subcommittees entertain programmatic funding requests from Members
- Senate Letters/forms must be submitted by April 4, 2014

**[land-grant.org/guides.html](http://land-grant.org/guides.html)**

# Key Ag Appropriations States

Three Members		Two Members		One Member	
<b>CA</b>	Sen. Feinstein	<b>IA</b>	Sen. Harkin	<b>AL</b>	Rep. Aderholt (C)
	Rep. Farr (RM)		Rep. Latham	<b>AR</b>	Sen. Pryor (C)
	Rep. Valadao	<b>KS</b>	Sen. Moran	<b>CT</b>	Rep. DeLauro
	Rep. Yoder		<b>FL</b>	Rep. Rooney	
		<b>ME</b>	Sen. Collins	<b>GA</b>	Rep. Bishop
			Rep. Pingree	<b>KY</b>	Sen. McConnell
		<b>MS</b>	Sen. Cochran	<b>MO</b>	Sen. Blunt (RM)
			Rep. Nunnelee	<b>MT</b>	Sen. Tester
				<b>NE</b>	Rep. Fortenberry
				<b>ND</b>	Sen. Hoeven
				<b>NM</b>	Sen. Udall
				<b>OR</b>	Sen. Merkley
				<b>SD</b>	Sen. Johnson

# Construction / Mobilization

- Initial solicitation
- Call to action requests
- Acknowledgement and follow-up
- Progress reports

**Questions?**