



## **FY 2013 Appropriations Update: Congress Completes Appropriations Bills**

*Lewis-Burke Associates LLC – March 21, 2013*

On March 21, the U.S. House of Representatives approved H.R. 933, the *Consolidated and Further Continuing Appropriations Act of 2013*, and sent the bill to the President for his signature. The Senate passed the bill on March 20. The bill completes the fiscal year (FY) 2013 appropriations process and will continue operations of the entire federal government through September 30, 2013. The final agreement “seals the deal” between the White House and Congress to avoid a government shutdown when the current Continuing Resolution (CR) expires on March 27.

The final bill lives within the overall discretionary spending cap of \$1.043 trillion approved in the *Budget Control Act of 2011* (debt-limit agreement). However, in order to stay within this overall level of spending, some funding in the bill is subject to across-the-board reductions of 2.5 percent or less. The final bill does not address the sequester, or across-the-board reductions, that went into effect on March 1. The sequester will be charged against the final funding levels in H.R. 933.

The final bill includes five regular appropriations bills:

- Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
- Commerce, Justice, Science, and Related Agencies
- Department of Defense
- Department of Homeland Security
- Military Construction and Veterans Affairs, and Related Agencies

The final bill provides full-year continuing appropriations for seven annual appropriations bills at approximately the FY 2012 enacted levels:

- Energy and Water Development and Related Agencies
- Financial Services and General Government
- Labor, Health and Human Services, and Education, and Related Agencies
- Legislative Branch
- Department of State, Foreign Operations, and Related Programs
- Transportation and Housing and Urban Development, and Related Agencies

The Senate Appropriations Committee made changes to certain programs in the bills for which full-year continuing appropriations are provided for so-called “anomalies” that the Committee believes warrant adjustments. For example, research accounts in the Department of Energy were reduced by \$44 million below the level in the current CR, including \$13 million from the Office of Science, \$11 million from Energy Efficiency and Renewable Energy, and \$10 million from the Advanced Research Projects Agency-Energy (ARPA-E). The final bill includes a \$71 million increase for the National Institutes of Health.

The Senate Appropriations Committee has posted an “explanatory statement” for the recommendations in the final bill to guide agency implementation of the spending provided. This material also outlines the various adjustments made by the Committee to meet current program requirements. A summary of the Senate version of the bill and the text of the bill can be found, along with the explanatory statement, at <http://www.appropriations.senate.gov/>. Additional details on the five full bills that are incorporated into the *Consolidated and Further Continuing Appropriations Act of 2013* follow.

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### DEPARTMENT OF COMMERCE

#### Economic Development Administration (EDA)

EDA is supported at \$2.8 million above the FY 2013 requested level, but \$33.2 million below the FY 2012 enacted level. While Congress generally is supportive of EDA, there is some concern over the balance between programs to support innovation and EDA’s mission to provide infrastructure to economically-distressed regions.

The bill cuts the Economic Adjustment Assistance (EAA) program by \$5.7 million from the FY 2012 level. Within this program, the explanatory statement encourages EDA to support the creation of science parks, regional clusters, and other innovation activities. EDA is advised to balance these innovation strategies with the traditional EDA programs that support economically-distressed communities. The statement also directs up to \$2 million for innovative, energy-efficient programs for small businesses. EDA is encouraged to increase efforts to improve economic conditions in low-income communities, especially those with persistent poverty.

	FY 2012 Enacted	FY 2013 Request	FY 2013 Senate Cmte Mark	FY 2013 House Mark	FY 2013 CR*	CR vs. FY 2012 Enacted
<b>EDA, total</b>	258,000	220,000	237,000	219,500	<b>224,800</b>	<b>-33,200 (14.8%)</b>
<b>Economic Development Assistance Programs</b>	220,000	182,000	200,000	182,000	<b>187,300</b>	<b>-32,700 (17.7%)</b>
Regional Innovation Strategies	0	25,000	25,000	0	<b>15,800</b>	<b>15,800 (100%)</b>
Public Works	138,528	65,500	60,200	85,000	<b>79,000</b>	<b>-59,528 (75.4%)</b>
Economic Adjustment Assistance Program	55,718	65,200	56,500	40,200	<b>50,000</b>	<b>-5,718 (11.4%)</b>
Planning Program	29,000	27,000	29,000	27,000	<b>29,000</b>	<b>0</b>
Technical Assistance Program	12,481	12,000	12,000	12,000	<b>12,000</b>	<b>-481 (4.0%)</b>

	FY 2012 Enacted	FY 2013 Request	FY 2013 Senate Cmte Mark	FY 2013 House Mark	FY 2013 CR*	CR vs. FY 2012 Enacted
Research and Evaluation	1,537	1,500	1,500	1,500	1,500	-37 (2.5%)
<b>Salaries and Expenses</b>	38,000	38,000	37,719	37,500	37,500	-500 (1.3%)

\* Does not include a 1.877 percent across-the-board cut.

### National Institute of Standards and Technology (NIST)

The bill provides a substantial increase for NIST to \$824.2 million, which is \$73.5 million above the FY 2012 enacted level, but below the President's FY 2013 request. However, with the additional two-percent reduction included in the final bill, NIST will receive approximately \$809 million, which is \$58 million more than the FY 2012 level. The bill supports many of the agency's activities across science and technology areas, including strong support for NIST's advanced manufacturing and cybersecurity programs and efforts, and will fund several new programs of interest to universities.

The Scientific and Technical Research and Services account will receive \$621.2 million, which is \$54.2 million more than the FY 2012 level. The bill provides \$20 million for the new Centers of Excellence program, which was first proposed in the President's FY 2013 budget request at \$20 million, to establish several university-industry consortia around various NIST priority areas. Furthermore, the bill funds the National Strategy for Trusted Identities and Cyberspace (NSTIC) at \$16.5 million. NSTIC, which President Obama developed in 2011 to bring together private and public entities, such as universities, to bolster the online security of individuals, networks, companies, and devices used during online transactions, has already begun pilot programs for this year to include universities and other stakeholders. Support for NIST's cyber activities reflects Congress's continued reliance on and support for NIST's central role in federal cybersecurity activities. Furthermore, the bill provides \$14.5 million for the Advanced Manufacturing Technology Consortia (AMTech), which is an extramural program for private-public consortia focused on improving advanced manufacturing capabilities and first was proposed in FY 2012. Congress did not fund the program in FY 2012; universities are expected to play a role in this industry-led program.

	FY 2012 Enacted	FY 2013 Request	FY 2013 Senate Cmte Mark	FY 2013 House Mark	FY 2013 CR*	CR vs. FY 2012 Enacted
<b>NIST, total</b>	750,824	857,000	826,000	830,173	824,173	73,349 (9.8%)
<b>Scientific and Technical Research and Services</b>	567,000	648,000	623,000	621,173	621,173	54,173 (9.6%)
<i>NIST Centers of Excellence</i>	0	20,000	N/A	20,000	20,000	20,000 (100%)
Hollings Manufacturing Extension Partnership (MEP)	128,443	128,000	128,500	128,000	128,500	57 (< 1%)
Advanced Manufacturing Technology Consortia (AMTech)	0	21,000	14,500	21,000	14,500	14,500 (100%)

\* Does not include a 1.877 percent across-the-board cut.

## **National Oceanic and Atmospheric Administration (NOAA)**

The bill provides a total of \$5.1 billion for NOAA in FY 2013, an increase of \$206 million or 4.2 percent above the FY 2012 enacted level. However, after the nearly two percent across-the-board rescission, NOAA's total budget drops to \$5.0 billion, which is still above the FY 2012 level but slightly below the amount the Administration requested. The increase above the FY 2012 level largely reflects the fact that a number of investigations last year found that NOAA officials, particularly within the National Weather Service (NWS), shifted funds between accounts to address shortfalls in certain priority areas. While a number of NWS officials lost their jobs as part of the financial mismanagement, the activities were not found to be "criminal" and House and Senate appropriators were largely sympathetic to the funding needs of the agency, though they did not condone the actions. Several of the increases in the final bill seek to address some of the long-term shortfalls facing parts of the agency, setting these programs on a more stable path in the future.

A major change in the final bill from earlier versions relates to how NOAA will handle the ongoing procurement of its weather satellites. As previously reported, the earlier Senate bill sought to transfer funding for the procurement and construction of NOAA's operational satellites from the National Environmental Satellite, Data, and Information Service (NESDIS) within NOAA to a new directorate within the National Aeronautics and Space Administration (NASA). This move was meant to address the long term, ongoing cost overruns and management issues associated with the programs, particularly the Joint Polar-orbiting Satellite System (JPSS), formerly known as NPOESS. In the final agreement, Senate appropriators stated that "concerns have been raised that transferring lead construction and acquisition responsibility from NOAA to NASA in the middle of a fiscal year could potentially result in future launch delays." Therefore, the proposed move is not adopted for FY 2013. However, NOAA is directed to provide a spending plan to the House and Senate Appropriations Committees outlining how the \$1.8 billion funding will be prioritized for JPSS and the Geostationary Operational Environmental Satellites (GOES), which are NOAA's most costly but most critical weather satellite systems, within 30 days of enactment. The proposal to move satellite acquisition to NASA may be revisited in future budgets as Congress continues to raise concern about NOAA's ability to manage these programs. Case in point, the final bill encourages NOAA to consider transferring the construction of the Jason-3 satellite system to NASA.

With respect to NOAA research, the Office of Oceanic and Atmospheric Research (OAR) is funded at \$391 million in FY 2013, which is an increase of 4.3 percent, though below the President's request and the previous House and Senate marks. After the rescission, the OAR budget is reduced to about \$384 million, although approximately \$10 million above the FY 2012 level. The Competitive Climate Research Program will receive a slight increase of 3.7 percent to \$124 million in FY 2013 and the Ocean Exploration and Research line, which traditionally has provided funding for the National Undersea Research Program (NURP) and the Ocean Exploration program, will receive a 0.5 percent increase. The President had requested to terminate the NURP program, though still maintain the funding for Ocean Exploration. The FY 2013 agreement supports the termination of NURP but expresses concern about terminating NURP's advanced technology activities without "proper contingency plans." NOAA is directed to determine which regional partnerships provide the most valuable scientific information essential to NOAA's exploration activities and to use funding appropriated above the request (about \$4 million) for competitive awards to preserve this work.

	FY 2012 Enacted	FY 2013 Request	FY 2013 Senate Cmte Mark	FY 2013 House Mark	FY 2013 CR*	CR vs. FY 2012 Enacted
<b>NOAA, total</b>	4,893,675	5,054,546	3,418,709	4,961,669	<b>5,100,000</b>	<b>206,325</b> <b>(4.2%)</b>
<b>Operations, Research &amp; Facilities (ORF)</b>	3,022,231	3,042,460	3,139,740	3,102,435	<b>3,246,678</b>	<b>224,447</b> <b>(7.4%)</b>
Oceanic and Atmospheric Research (OAR)	374,422	403,441	414,636	404,941	<b>390,638</b>	<b>16,216</b> <b>(4.3%)</b>
<i>Competitive Climate Research Program</i>	119,619	146,330	146,330	120,000	<b>124,000</b>	<b>4,381</b> <b>(3.7%)</b>
<i>National Sea Grant College Program</i>	62,169	61,648	62,000	57,092	<b>61,800</b>	<b>-369</b> <b>(0.6%)</b>
<i>Ocean Exploration &amp; Research</i>	23,545	19,665	25,200	23,000	<b>23,665</b>	<b>120</b> <b>(0.5%)</b>
National Weather Service (NWS)	900,764	874,754	909,210	897,055	<b>926,116</b>	<b>25,352</b> <b>(2.8%)</b>
National Ocean Service (NOS)	459,372	458,466	487,135	427,275	<b>474,742</b>	<b>15,370</b> <b>(3.3%)</b>
<i>Integrated Ocean Observing System</i>	29,388	36,053	37,588	31,468	<b>34,932</b>	<b>5,544</b> <b>(18.9%)</b>
<i>Response &amp; Restoration</i>	26,579	24,288	25,688	24,859	<b>25,633</b>	<b>-946</b> <b>(3.6%)</b>
National Marine Fisheries Service (NMFS)	804,716	807,808	834,078	775,427	<b>826,129</b>	<b>21,413</b> <b>(2.7%)</b>
<i>Aquaculture</i>	5,575	5,682	8,000	5,115	<b>5,682</b>	<b>107</b> <b>(1.9%)</b>
NOAA-Wide Program Support	434,504	431,958	432,394	420,830	<b>436,120</b>	<b>1,616</b> <b>(0.4%)</b>
<i>NOAA Education Program</i>	25,090	11,266	27,700	17,561	<b>27,200</b>	<b>2,110</b> <b>(8.4%)</b>
<b>Procurement, Acquisition &amp; Construction (PAC)</b>	1,817,094	1,965,736	217,619	1,946,948	<b>1,941,036</b>	<b>123,942</b> <b>(6.8%)</b>
National Environmental Satellite, Data, and Information Service (NESDIS)†	1,696,645	1,850,309	92,492	1,822,821	<b>1,814,309</b>	<b>117,664</b> <b>(6.9%)</b>
<i>JPSS</i>	924,014	916,364	842,064	916,364	<b>N/A</b>	<b>N/A</b>
<i>GOES-R</i>	615,622	802,000	746,700	796,000	<b>N/A</b>	<b>N/A</b>
<i>DSCOVR</i>	29,800	22,883	30,000	22,383	<b>N/A</b>	<b>N/A</b>
<i>Jason-3</i>	20,000	30,000	22,383	19,000	<b>N/A</b>	<b>N/A</b>

\* Does not include a 1.877 percent across-the-board cut.

† Funding levels within NESDIS reflect maintaining NOAA satellite procurement in NOAA instead of transferring procurement to NASA, which was originally proposed in the Senate bill.

## **DEPARTMENT OF DEFENSE (DOD)**

While reports circulated that Congress had negotiated a bipartisan agreement on the defense bill late last year, passing a full appropriations measure has taken on added importance following the implementation of sequestration on March 1. The FY 2013 defense appropriations included in the final bill do not reverse sequestration for DOD, but allows Congress to soften some impacts of the cuts by increasing dollars to higher-priority accounts. The defense appropriations bill includes \$517.7 billion in base funding for DOD and \$87.2 billion in Overseas Contingency Operations (OCO) funding for ongoing operations in Afghanistan. This amount is slightly below the FY 2012 enacted level but above President Obama's FY 2013 request.

Despite the overall budgetary pressures, defense research, development, test, and evaluation (RDTE) accounts important to universities fare better than many other items in the bill. Within the total of \$69.9 billion for RDTE, \$12.5 billion is allocated to defense science and technology (S&T; 6.1, 6.2, and 6.3) programs which provide the majority of defense research funding to universities and other non-profit research institutes. In fact, some Science and Technology (S&T) accounts within the individual service branches will see increases in the range of four percent or more for FY 2013. Others will see cuts for FY 2013 but were not reduced as deeply as many of the prototype, test, and manufacturing activities of 6.4 and higher. As illustrated by the chart below, Army basic research (6.1) and advanced technology development (6.3) and Air Force applied research (6.2) programs took the biggest hits among S&T accounts.

It should, however, be noted that these number *do not* reflect the approximately eight percent reduction to which defense discretionary programs are subject under sequestration. Those cuts will be applied to the final spending levels laid out in this bill. Further, with military personnel accounts exempt from sequestration, DOD officials indicate that many accounts will have to be reduced by more than eight percent to meet the overall target of \$46 billion in cuts for the remainder of FY 2013. For example, total defense S&T spending could be reduced by more than \$1 billion, to \$11.46 billion or below, for FY 2013 due to sequestration. Even deeper cuts are possible if S&T and other investment accounts bear the brunt of the offsets for exempted personnel accounts.

RDTE and other investment accounts were at particular risk as DOD and military officials spoke publicly about the need to protect operations and maintenance (O&M) funding for ongoing conflicts. DOD leaders identified sustaining current operations and supporting health programs as among the areas in need of the greatest near-term emphasis; these accounts are reduced at the same rate as all other non-exempt programs under sequestration, creating immediate operating shortfalls.

While many RDTE accounts will feel significant pain, appropriators used the bill to emphasize high-priority items. Materials science, manufacturing research, and energy efficiency research are among the accounts that received program increases across multiple budget lines. Additionally, language in the explanatory statement accompanying the bill reiterates Congress's concern with cyber threats and promises to provide adequate resources to both protect the nation in cyberspace and to foster the next generation cyber workforce. Other areas receiving increases above the President's request include nanotechnology research through the Navy and Air Force and space defense programs. The FY 2013 defense bill demonstrates that there will be an increase in the discrepancy between winners and losers as Congress is forced to allocate fewer total research dollars.

The bill passed amid reports that newly-confirmed Secretary of Defense Chuck Hagel has ordered a review of whether DOD needs to reevaluate the Defense Strategic Guidance announced by President Obama last year. While DOD officials suggest that major changes will not be necessary because of sequestration, DOD may have to tweak its goals or scale back some programs given the new budget reality. The Strategic Guidance projected a future military that would rely heavily on technology to offset decreases in manpower.

	FY 2012 Enacted	FY 2013 Request	FY 2013 House Mark	FY 2013 Senate Cmte Mark	FY 2013 CR*	CR vs. FY 2012 Enacted
<b>RDTE, total</b>	72,420,675	69,407,767	69,984,145	69,091,078	<b>69,928,477</b>	<b>-2,492,198</b> <b>(3%)</b>
<b>RDTE, Army</b>	8,745,492	8,929,415	8,593,055	8,427,588	<b>8,676,627</b>	<b>-68,865</b> <b>(1%)</b>
Army Basic Research (6.1)	456,920	444,071	428,472	444,071	<b>428,472</b>	<b>-28,448</b> <b>(6%)</b>
Army Applied Research (6.2)	948,332	874,730	919,730	966,730	<b>1,000,730</b>	<b>52,398</b> <b>(6%)</b>
Army Advanced Technology Development (6.3)	1,124,612	890,722	947,722	1,017,122	<b>1,059,322</b>	<b>-65,290</b> <b>(6%)</b>
<b>RDTE, Navy</b>	17,753,940	16,882,877	16,987,768	16,646,307	<b>16,963,398</b>	<b>-790,542</b> <b>(5%)</b>
Navy Basic Research (6.1)	605,372	605,021	625,021	615,021	<b>634,021</b>	<b>28,649</b> <b>(5%)</b>
Navy Applied Research (6.2)	823,794	790,302	805,302	870,302	<b>881,302</b>	<b>57,508</b> <b>(7%)</b>
Navy Advanced Technology Development (6.3)	693,094	584,402	633,102	631,402	<b>674,102</b>	<b>-18,992</b> <b>(3%)</b>
<b>RDTE, Air Force</b>	26,535,998	25,428,046	25,117,692	25,374,286	<b>25,432,738</b>	<b>-1,103,260</b> <b>(4%)</b>
Air Force Basic Research (6.1)	530,859	516,034	516,034	516,034	<b>516,034</b>	<b>-14,825</b> <b>(3%)</b>
Air Force Applied Research (6.2)	1,219,874	1,109,053	1,109,053	1,098,174	<b>1,120,053</b>	<b>-99,821</b> <b>(8%)</b>
Air Force Advanced Technology Development (6.3)	627,904	596,737	616,737	620,737	<b>636,737</b>	<b>8,833</b> <b>(1%)</b>
<b>RDTE, Defense Wide</b>	19,193,955	17,982,161	19,100,362	18,419,129	<b>18,631,946</b>	<b>-562,009</b> <b>(3%)</b>
DW Basic Research (6.1)	523,319	551,748	547,348	551,748	<b>551,748</b>	<b>28,429</b> <b>(5%)</b>
DW Applied Research (6.2)	1,756,443	1,703,881	1,729,082	1,663,733	<b>1,722,934</b>	<b>-33,509</b> <b>(2%)</b>
DW Advanced Technology Development (6.3)	3,127,849	3,194,413	3,332,313	3,179,653	<b>3,258,613</b>	<b>130,764</b> <b>(4%)</b>

\* Includes a 0.092 percent across-the-board cut.

## **DEPARTMENT OF HOMELAND SECURITY (DHS)**

The Department of Homeland Security's Science and Technology (S&T) Directorate will receive \$835.5 million for FY 2013, which is \$167.5 million more than the FY 2012 enacted level and \$3.9 million more than the President's request. This increase largely restores cuts Congress made to the Directorate in the last several years. The Office of University Programs, which houses the Centers of Excellence program and education activities, will receive \$40 million, which is level with the President's request and \$3.4 million more than the FY 2012 enacted level. The Research, Development, and Innovation (RD&I) account, which funds a significant amount of the agency's research activities, will receive \$450.6 million, which is an increase of \$184.8 million above the FY 2012 level. It should be noted these levels do not reflect the eight percent reduction for security programs mandated by sequestration nor the 0.092 percent across-the-board cuts to security programs.

The bill does not consolidate the RD&I account into one line item as Congress did for FY 2012 and as the House proposed for FY 2013. This consolidation was done to provide S&T flexibility in funding RD&I programs facing steep cuts in FY 2012. Instead, the bill asks DHS to fund the six original research areas under RD&I to promote transparency: Apex R&D; Border Security; Chemical, Biological, Radiological, Nuclear, and Explosives Defense; Counter Terrorist R&D; Cyber Security; and Disaster Resilience. Reflecting a continued prioritization of cybersecurity, the bill supports increased funding for multidisciplinary, competitively-awarded extramural research; the bill encourages DHS to pursue cyber-related research that will assist the financial services industry. Other highlighted priority areas for S&T include bio defense, border security, and first responder technology. In addition, the bill directs S&T to work with universities for disaster resilience research activities.

## **NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)**

NASA will fare slightly better under the CR than it did in both FY 2012 enacted and the FY 2013 budget request, not accounting for the nearly two percent across-the board cuts, with a total of \$17.862 billion. However, taking into account the rescission, NASA will receive approximately \$17.5 billion, which is lower than the FY 2012 enacted level of \$17.8 billion.

For NASA Science, the bill will provide NASA with \$5.144 billion; however, again, accounting for the rescission, NASA Science will receive slightly below the FY 2012 enacted level of \$5.09 billion for an FY 2013 level of \$5.04 billion. Earth Science will receive its full budget request while little direction on the funding is provided. As in past years, the bill notes that \$10 million of the Earth Science funding is for carbon monitoring—"to continue efforts for the development of a carbon monitoring system [...] directed towards acquisition, field sampling, quantification and development of a prototype Monitoring Reporting and Verification (MRV) system"—and up to 20 percent of these funds will go towards the United Nations Reducing Emissions from Deforestation and Forest Degradation (UN-REDD) program, which was launched in 2008. Furthermore, the bill does not include the controversial transfer of funding and responsibility of weather satellite acquisition from the National Oceanic and Atmospheric Administration (NOAA) to NASA.

For Planetary Science, the final bill provides \$1.415 billion before the rescission, which is a decrease of nearly six percent from the FY 2012 enacted level. Within the Mars Exploration account, the bill provides \$146.4 million for the continued development of the MAVEN mission, \$65 million for operations of the Mars Science Laboratory, and \$239.4 million for other Mars activities (which is \$90 million above the FY 2013 request), including "the formulation of a future Mars mission that is



responsive to the scientific goals of the most recent planetary science decadal survey and the potential completion of instrumentation or other contributions to international Mars exploration efforts” — presumably, the Mars 2020 mission, which would be the first of several missions to accomplish a Mars sample return. The bill also provides \$75 million for pre-formulation of a mission to Jupiter’s Europa as well as \$14.5 million for re-establishing facilities to produce Plutonium-238 in conjunction with the Department of Energy. After a long budgetary battle, this marks the second year NASA will receive funding to restart production of Pu-238—an increase of \$4.5 million over the FY 2012 enacted level.

The bill asserts its strong support for the James Webb Space Telescope and provides \$628 million accordingly. Meanwhile, an additional \$669 million is provided for Astrophysics, including \$10 million for pre-formulation/formulation of the Wide Field InfraRed Survey Telescope (WFIRST) mission. The House Appropriations Committee previously had expressed concern that the European Space Agency’s Euclid mission might be in conflict with the WFIRST mission and thereby prohibited NASA from contributing hardware to Euclid. However, the final bill does not adopt the House Committee’s language, ensuring a U.S. involvement in Euclid at this point in time.

Space Technology will receive \$642 million before the rescission and \$629 million after, which is still a significant increase over the FY 2012 enacted level of \$575 million. The bill directs NASA to continue to fund programs and activities that were funded in FY 2012. Aeronautics will receive \$570 million, which is virtually level funding with the FY 2012 enacted level before the rescission. The bill does not adopt NASA’s proposal to transfer entry, descent, and landing technology from Aeronautics to Space Technology, but does encourage coordination across NASA. It further expresses criticism of NASA’s proposed reduction of the hypersonic research program, advising NASA to “continue working with [the Department of Defense] to define appropriate agency roles in hypersonic research and to propose changes to rationalize the division of responsibilities and work in future fiscal years.”

Education will receive a significant decrease of 9.7 percent below the FY 2012 enacted level before the rescission, but \$25 million above the request level. Space Grant and EPSCoR will both receive modest increases of 2.8 and four percent above the FY 2012 level, respectively, rejecting the budget request’s attempt to significantly decrease funding for these programs.

	FY 2012 Enacted	FY 2013 Request	Senate Cmte Mark	House Mark	FY 2013 CR*	CR vs. FY 2012 Enacted
<b>NASA, total</b>	17,800,000	17,711,400	19,399,647	17,573,800	<b>17,862,000</b>	<b>62,000</b> <b>(0.3%)</b>
<b>Science</b>	5,090,000	4,911,200	5,021,100	5,095,000	<b>5,144,000</b>	<b>54,000</b> <b>(1.1%)</b>
Earth Science	1,760,500	1,784,800	1,784,700	1,775,000	<b>1,785,000</b>	<b>24,500</b> <b>(1.4%)</b>
Planetary Science	1,501,400	1,192,300	1,292,300	1,400,000	<b>1,415,000</b>	<b>-86,400</b> <b>(5.8%)</b>
Planetary Science Research	174,100	188,500	188,500	192,000	<b>192,000</b>	<b>17,900</b> <b>(10.3%)</b>
Discovery & New Frontiers	333,300	364,600	364,600	480,000	<b>418,980</b>	<b>85,680</b> <b>(25.7%)</b>
Mars Exploration	587,000	360,800	460,900	N/A	<b>450,800</b>	<b>-136,200</b> <b>(23.2%)</b>

	FY 2012 Enacted	FY 2013 Request	Senate Cmte Mark	House Mark	FY 2013 CR*	CR vs. FY 2012 Enacted
Outer Planets	122,100	84,000	84,000	N/A	159,000	36,900 (30.2%)
<i>Plutonium-238</i>	10,000	20,000	14,500	14,500	14,500	4,500 (45.0%)
Astrophysics	672,700	659,400	669,400	650,000	669,000	-3,700 (0.6%)
James Webb Space Telescope	518,600	627,600	627,600	628,000	628,000	109,400 (21.1%)
Heliophysics	620,500	647,000	647,000	642,000	647,000	26,500 (4.3%)
<b>Aeronautics</b>	569,900	551,500	551,500	569,900	570,000	100 (<0.1%)
<b>Space Technology</b>	575,000	699,000	651,000	632,500	642,000	67,000 (11.7%)
<b>Exploration</b>	3,770,800	3,932,800	3,908,900	3,711,900	3,887,000	116,200 (3.1%)
Exploration Systems Development	3,007,100	2,769,400	3,075,900	2,881,900	3,054,000	46,900 (1.6%)
Commercial Spaceflight	406,000	829,700	525,000	500,000	525,000	119,000 (29.3%)
Exploration Research & Development	299,700	333,700	308,000	330,000	308,000	8,300 (2.8%)
<b>Space Operations</b>	4,233,600	4,013,200	3,961,700	3,985,000	3,953,000	-280,600 (6.6%)
<b>Education</b>	138,400	100,000	125,000	100,000	125,000	-13,400 (9.7%)
Aerospace Research & Career Development	56,100	33,000	58,000	33,000	58,000	1,900 (3.4%)
Space Grant	38,900	24,000	40,000	24,000	40,000	1,100 (2.8%)
EPSCoR	17,300	9,000	18,000	9,000	18,000	700 (4.0%)
STEM Education & Accountability	80,000	67,000	27,000	67,000	67,000	-13,000 (16.3%)
<b>Cross Agency Support</b>	2,995,000	2,847,500	2,822,500	2,843,500	2,823,000	-172,000 (5.7%)
<b>Construction and Environmental Compliance and Restoration</b>	491,500	619,200	679,000	598,000	680,000	188,500 (38.4%)
<b>Office of Inspector General</b>	37,300	37,000	37,800	38,000	38,000	700 (1.9%)

\* Does not include a 1.877 percent across-the-board cut.

## **NATIONAL SCIENCE FOUNDATION (NSF)**

Receiving strong bipartisan support, NSF will be supported at the FY 2013 requested level for all accounts except the Education and Human Resources (EHR) account, which will receive \$20 million above the FY 2013 request. The bill will provide NSF with \$7.39 billion; however, accounting for the rescission, NSF will receive \$7.25 billion, which is still more than the FY 2012 enacted level of \$7.03 billion.

Despite the strong bipartisan support for NSF, social science remains under attack as Senators John McCain (R-AZ) and Tom Coburn (R-OK) introduced an amendment to cut the Political Science Program within the Directorate for Social, Behavioral and Economic Sciences (SBE). Following negotiations with Senator Barbara Mikulski (D-MD), Chairwoman of the Senate Appropriations Committee, a compromise of the amendment was incorporated into the bill, preventing NSF from supporting political science grants unless they are deemed “as promoting national security or the economic interests of the United States.”

The explanatory statement encourages NSF to prioritize a number of research areas, including cybersecurity and advanced manufacturing. The statement adopts House language instructing NSF to require I-Corps recipients to commit to U.S. production of products and services developed with assistance from the program. The explanatory statement also directs the Foundation to assess and refine the balance between the interdisciplinary OneNSF initiatives and the core NSF disciplinary research programs for its FY 2014 budget request.

The statement provides \$247.6 million for Astronomical Sciences (\$3 million above the FY 2013 budget request), and requires funding support for facilities and infrastructure which have been cut in recent years. Where infrastructure funding would require a reduction in the research budget, the statement directs NSF to make these reductions to the planned increases for the Enhancing Access to the Radio Spectrum (EARS) program. The explanatory statement notes that the Division of Astronomical Sciences (AST) has not yet submitted its recent portfolio review to Congress and, therefore, the Senate Committee did not evaluate those findings.

The bill will support the Education and Human Resources (EHR) account at \$20 million above the FY 2013 requested level. The statement blocks the proposed \$13.5 million reduction to the Informal Science Education (now named Advancing Informal STEM [Science, Technology, Engineering, Mathematics] Education) program, but allows other reductions and terminations in public outreach programs. Of note, the Advanced Technology Education (ATE) program will receive an increase of \$5 million above the request. The statement also adopts House language encouraging NSF to foster collaborations between universities and STEM-focused K-12 schools.

The explanatory statement highlights Congress’s ongoing concerns regarding the Foundation’s lack of response to recommendations from the NSF Office of the Inspector General (OIG). The statement directs NSF to provide a report within 30 days listing the outstanding OIG recommendations along with NSF’s strategy for implementing these recommendations, details of current progress and expected completion dates, and a list of individuals responsible for implementing each of the recommendations.

	FY 2012 Enacted	FY 2013 Request	FY 2013 Senate Cmte Mark	FY 2013 House Mark	FY 2013 CR*	CR vs. FY 2012 Enacted
<b>NSF, total</b>	7,033,100	7,373,100	7,273,100	7,332,513	<b>7,393,100</b>	<b>360,005</b> <b>(4.9%)</b>
<b>Research &amp; Related Activities (R&amp;RA)</b>	5,719,000 <sup>†</sup>	5,983,280	5,883,280	5,942,693	<b>5,983,280</b>	<b>264,280</b> <b>(4.4%)</b>
<b>Education &amp; Human Resources (EHR)</b>	829,000	875,610	875,610	875,610	<b>895,610</b>	<b>66,610</b> <b>(7.4%)</b>
<b>Major Research Equipment &amp; Facilities Construction (MREFC)</b>	167,055 <sup>†</sup>	196,170	196,170	196,170	<b>196,170</b>	<b>29,115</b> <b>(14.8%)</b>
<b>Agency Operations &amp; Award Management</b>	299,400	299,400	299,400	299,400	<b>299,400</b>	<b>0</b>
<b>National Science Board (NSB)</b>	4,440	4,440	4,440	4,440	<b>4,440</b>	<b>0</b>
<b>Office of Inspector General</b>	14,200	14,200	14,200	14,200	<b>14,200</b>	<b>0</b>

\* Does not include a 1.877 percent across-the-board cut.

† This does not reflect the additional \$30 million NSF transferred from R&RA to MREFC in FY 2012.

## U.S. DEPARTMENT OF AGRICULTURE (USDA) & FOOD AND DRUG ADMINISTRATION (FDA)

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations in the final bill total \$20.532 billion in discretionary spending. This amount includes an across-the-board reduction of 2.513 percent for USDA.

Adjustments were made in this bill to address program requirements for the remainder of the fiscal year. Of special concern are programs directly related to public health and safety, such as food inspections and activities at the FDA.

For USDA's major research agencies, the bill recommends a total of \$2.338 billion (\$2.279 billion after the 2.513 percent reduction included in the bill). For the Agricultural Research Service (ARS), the bill provides \$1.102 billion for FY 2013, an increase of \$7.2 million (0.7 percent) above the FY 2012 enacted level, and slightly below the President's budget request. After the 2.513 percent across-the-board reduction, ARS will be funded at \$1.074 billion for FY 2013, which is approximately \$21 million below the FY 2012 level.

For the National Institute of Food and Agriculture (NIFA), the bill will provide a total of \$1.236 billion, which is an increase of \$33.7 million (2.8 percent) above the FY 2012 level, and approximately \$3 million below the President's request. After the across-the-board reduction, NIFA will be funded at \$1.205 billion for FY 2013, which is about \$3 million above the FY 2012 level.

Within NIFA, the bill prioritizes competitive research through the Agriculture and Food Research Initiative (AFRI), recommending \$298 million or an increase of \$33.5 million (12.7 percent) above the FY

2012 level and \$27 million below the President’s request. The Committee notes that following the across-the-board reduction, AFRI will receive \$290 million, an increase of nearly \$25.5 million above FY 2012.

Within NIFA, key formula funding for the nation’s land-grant institutions is provided with \$236.3 million for formula assistance under the *Hatch Act*, and \$294 million for assistance under the *Smith-Lever Act* 3(b) and 3(c). These recommendations are the same as the FY 2012 level prior to the across-the-board reduction included in the bill. NIFA Extension Activities are funded at \$475.9 million for FY 2013, which is approximately the current level. The final bill does not provide funding for the Hispanic-Serving Agricultural Colleges and Universities Endowment Fund.

For the USDA Food Safety and Inspection Service (FSIS), the bill provides \$1.001 billion, which is a reduction of \$3 million (0.3 percent) below the current level and \$5.9 million above the President’s request. The bill also funds the FDA, including \$2.524 billion recommended for salaries and expenses. Priority is placed on continuing implementation of the *Food Safety Modernization Act*, for which an additional \$12.5 million is provided. With existing user fees taken into account, the FDA budget for FY 2013 will total \$4.26 billion. The Committee rejects the Administration’s proposed new user fees to further offset additional spending for the agency.

Finally, the bill includes a provision (Section 718) to allow indirect costs for grants competitively awarded by NIFA at no more than 30 percent of total federal funds provided.

	FY 2012 Enacted	FY 2013 Request	FY 2013 House Cmte Mark	FY 2013 Senate Cmte Mark	FY 2013 CR*	CR vs. FY 2012 Enacted
<b>USDA, Research, Education, Economics</b>						
<b>Agricultural Research Service (ARS)</b>	1,094,647	1,103,000	1,073,499	1,101,853	<b>1,101,853</b>	<b>7,206 (0.7%)</b>
<b>NIFA</b>	1,202,264	1,238,745	1,175,012	1,239,000	<b>1,235,974</b>	<b>33,710 (2.8%)</b>
<i>AFRI</i>	264,470	325,000	276,515	297,956	<b>297,956</b>	<b>33,486 (12.7%)</b>
<i>Hatch Act</i>	236,334	234,834	231,607	236,334	<b>236,334</b>	<b>0</b>
<i>Hispanic Serving Institutions Education Grants</i>	9,219	9,219	9,034	9,219	<b>9,219</b>	<b>0</b>
<i>Higher Education Programs</i>	47,000	48,000	N/A	N/A	<b>N/A</b>	<b>N/A</b>
<i>Smith-Lever Act 3(b) and 3(c)</i>	294,000	292,411	286,062	294,000	<b>294,000</b>	<b>0</b>
<b>Food Safety and Inspection Service (USDA)</b>	1,004,427	995,503	996,000	1,001,000	<b>1,001,427</b>	<b>-3,000 (0.3%)</b>

	FY 2012 Enacted	FY 2013 Request	FY 2013 House Cmte Mark	FY 2013 Senate Cmte Mark	FY 2013 CR*	CR vs. FY 2012 Enacted
<b>FDA, total†</b>	3,899,175	3,439,735	3,083,948	3,132,993	<b>4,260,380</b>	<b>361,205 (9.3%)</b>

\*Does not include a 2.513 percent across-the-board cut.

† Includes enacted user fees.

*Sources and Additional Background:*

- The text of the FY 2013 CR is available at <http://www.gpo.gov/fdsys/pkg/BILLS-113hr933pp/pdf/BILLS-113hr933pp.pdf>.
- The complete text of the joint statement of managers is available for download at <http://www.appropriations.senate.gov/news.cfm?method=news.view&id=0f7f2ddc-d4b2-4991-9417-0169643aabf1>.
- The Senate Appropriations Committee's press release is available at <http://www.appropriations.senate.gov/news.cfm?method=news.download&id=a0635b35-24e0-4672-8cfb-5af04857994b>.
- DOD Deputy Secretary Ash Carter's recent testimony before the Senate Appropriations Committee regarding the impacts of sequestration can be found at <http://www.appropriations.senate.gov/ht-full.cfm?method=hearings.view&id=17d3dc99-c065-4bec-a7c8-cfd374bf41a3>.