

# APLU ANALYSIS OF FY23 NATIONAL DEFENSE AUTHORIZATION ACT

On December 8, 2022, the House overwhelmingly approved the \$857.9 billion James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 conference agreement by a vote of 350-80, sending the bill to the Senate for final passage before going to President Biden for his signature. The Senate is scheduled to take up the bill next week.

The House Armed Services Committee summary can be found [here](#), the Senate Armed Services Committee summary is available [here](#), and a Joint Explanatory Statement can be found [here](#).

APLU was successful in advocating for overall increased basic research funding authorizations in the final bill. The measure also includes provisions to support connecting Historically Black Colleges and Universities and other Minority-serving Institutions with DOD commercialization, innovation, and entrepreneurship efforts. Provisions of concern regarding improper research security regulations that were not narrowly tailored to address undue foreign influence were not included in the final measure. Additionally, the NDAA includes the Global Food Security Act (GFSa), which reauthorizes the federal government’s efforts to address global hunger, including through the role of university agricultural research. Language APLU previously secured in GFSa that cements the role of scientific research and U.S. universities as part of the global strategy were extended.

The bill analysis below highlights which provisions were ultimately included and not included in the bicameral agreement considering the provisions of the original House and Senate measures.

## I. SCIENCE & TECHNOLOGY FUNDING

Summary: Overall the NDAA authorizes \$8.8 billion above the President’s Budget Request (PBR) in funding for research, development, testing, and evaluation, including a 6.7 percent increase in defense-wide basic research, applied research, and advanced technology development. All pages listed refer to the [bill language](#).

Title XLII – Research, Development, Test, and Evaluation	
Sec. 4201. Research, Development, Test, and Evaluation	
Program	Authorization Level
University Research Initiatives (pg. 1806) (pg. 1811) (pg. 1816)	Army URI - FY 23 PBR - \$70,775,000 <b>Conference Agreement - \$90,775,000</b>  Navy URI – FY 23 PBR - \$90,076,000 <b>Conference Agreement - \$204,700,000</b>  Air Force URI - FY 23 PBR - \$171,192,000 <b>Conference Agreement - \$177,542,000</b>
Defense Research Sciences (pg. 1806) (pg. 1811) (pg. 1816) (pg. 1823)	Army DRS – FY 23 PBR - \$279,328,000 <b>Conference Agreement - \$345,194,000</b>  Navy DRS – FY 23 PBR - \$499,116,000 <b>Conference Agreement - \$529,116,000</b>

	Air Force DRS – FY 23 PBR - \$375,325,000 <b>Conference Agreement - \$450,397,000</b>
	Defense-Wide DRS – FY 23 PBR - \$401,870,000 <b>Conference Agreement - \$494,344,000</b>
Basic Research Initiatives, including the Minerva Research Initiative (pg. 1823)	FY 23 PBR - \$62,386,000 <b>Conference agreement - \$84,686,000</b>
National Defense Education Program (pg. 1823)	FY 23 PBR - \$132,347,000 <b>Conference Agreement - \$140,347,000</b>
Defense Advanced Research Projects Agency (DARPA)	FY 23 PBR - \$4,119,000,000 <b>Conference Agreement - \$4,637,968,000</b>

## II. POLICY PROVISIONS

The NDAA conference agreement removed most research security provisions proposed in the House and Senate packages. Several Senate amendments around research security including proposed changes to the Committee on Foreign Investment in the United States review, reporting requirements under Section 117 of the Higher Education Act of 1965, and the Safeguarding American Innovation Act legislation, were not included in the final package.

Additionally, for the second year in a row, the agreement promotes defense research at HBCUs and MSIs and supports the development of capabilities to enable such institutions to more effectively compete for federal research funding.

Finally, the bill includes the Financial Data Transparency Act, based on bipartisan legislation introduced by Senator Warner (D-VA) and Senator Crapo (R-ID) which would require the Municipal Securities Rulemaking Board (MSRB) to establish data standards for government financial information. The version included in the NDAA was amended to shift responsibility for developing the standards to the Securities and Exchange Commission (SEC), a change that the Government Finance Officers Association (GFOA) supports. Currently, implications for public universities remain unclear.

<u>Section</u>	<u>Provision of Interest to APLU</u>	<u>Outcome</u>
Sec. 222. Outreach to historically Black colleges and universities and other minority-serving institutions regarding National Security Innovation Network programs that promote entrepreneurship and innovation at institutions of higher education. (pg. 169)	Requires the Under Secretary of Defense for Research and Engineering through the National Security Innovation Network to reach out to and provide technical assistance to better link HBCUs and other MSIs to commercialization, innovation, and entrepreneurial activities of the Department of Defense.	Included in Final Agreement - the bill also more than doubles the budget request for Historically Black Colleges/Minority Institution programs (PE 601228D8Z) to \$131,711,000
Sec. 1258. Reporting on institutions of higher education domiciled in the people’s republic of China that provide support to the People’s Liberation Army. (pg. 1145)	Directs the Secretary of Defense and the Director of National Intelligence to compile a list of all institutions of higher education that are domiciled in the People’s Republic of China that provide material support to the People’s Liberation Army.	Included in Final Agreement

Sec. 1335. Modification To Initiative to Support Protection of National Security Academic Researchers from Undue Influence and Other Security Threats.	Would prohibit any RDT&E funding to go to an entity that maintains a contract between the entity and a Chinese or Russian academic institution identified on the list developed under section 1286(c)(8)(A) of the John S. McCain National 5 Defense Authorization Act for Fiscal Year 2019.	Not in Final Agreement
Sec. 5401. Services That Open Portals to Dirty Money Act.	Would instruct the Treasury Department to impose anti-money laundering rules on attorneys, accountants, and other professionals who provide certain services, such as establishing trusts, creating corporations, or engaging in certain real estate transactions.	Not in Final Agreement
Sec. 5588. Global Food Security Reauthorization Act of 2022.  (pg. 2321)	Extends the authorization for an additional five years through 2028 and includes a twenty percent increase in the authorization of appropriations. The GFSRA authorizes the U.S. strategy to combat global food security and would support public research universities' ability to solve food system challenges through agricultural research, such as the Feed the Future Innovation Labs.	Included in Final Agreement
Sec. 5801. Financial Data Transparency Act.  (pg. 2446)	Requires the Securities and Exchange Commission (SEC) to establish data standards for government financial information.	Included in Final Agreement
Sec. 5923. Admission of Essential Scientists and Technical Experts to Promote and Protect the National Security Innovation Base.	Would have provided a new, narrow pathway for ten essential scientific and technical experts to contribute their education and talents to the U.S. National Security Innovation Base	Not in Final Agreement
Sec. 5949. Prohibition on certain semiconductor products and services.  (pg. 2612)	Would prohibit the use of foreign-manufactured semiconductors by U.S. government contractors for use in critical systems in the next five years but could impact university purchases in the future.	Included in Final Agreement
Sec. 6302. Counterintelligence and national security protections for intelligence community grant funding.  (pg. 2653)	Creates additional disclosure requirements for institutions or PIs applying for funding from intelligence agencies such as IAPRA as it relates to any material financial or in-kind support that derives from the People's Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, or the Republic of Cuba, during the 5-year period ending on the date of the person or entity's application for the grant.	Included in Final Agreement