

APLU Analysis of the Administration's FY2015 Budget Request

March 4, 2014

This document represents a preliminary analysis of the Administration's FY2015 budget proposal for the various agencies and programs of interest to the APLU community. After more detailed reviews of the budget documents, the APLU staff will provide additional updates.

Broad Highlights of FY2015 Budget

The documents related to the [FY2015 budget request](http://www.whitehouse.gov/omb/budget/Overview) are available at the following website: <http://www.whitehouse.gov/omb/budget/Overview>.

While today's budget release provides significant information about the Administration's priorities, the proposal was not complete. Further details of the budget are expected over the next week, as additional documents are released.

In addition to a FY2015 top-line budget of \$3.9 trillion which complies with the bipartisan budget agreement achieved in December, the President's proposal includes a supplementary proposal: the Opportunity, Growth and Security (OGS) Initiative. The president offers this bonus package of \$56 billion in extra spending above and beyond the existing discretionary spending cap, split evenly between defense and non-defense programs. The \$56 billion in additional investments would need to be approved by Congress, so it is quite unlikely that the OGS Initiative will come to fruition. Nonetheless, since the President would have \$5.3 billion of the OGS Initiative support R&D investments, the analysis below includes some insights into how that funding would be spent in the science agencies. These additional OSG dollars are noted *separately* from the funding levels which fall within the spending agreement for FY2015.

Following are some initial analyses of programs of interest, in alphabetical order by agency.

Department of Agriculture (USDA): National Institute of Food and Agriculture (NIFA)

The President's FY 2015 budget includes \$325 million for NIFA's Agriculture and Food Research Initiative (AFRI), the core competitive research program at USDA. This represents a three percent increase over the FY2014 enacted level of \$316 million. Other requested funding levels of note:

- Hatch Act: \$244 million
- McIntire-Stennis Cooperative Forestry : \$34 million
- Smith-Lever: \$300 million
- Evans-Allen: \$52 million
- 1890 Institutions Extension: \$44 million
- 1994 Research and Extension: \$6.2 million

The budget includes \$75 million to support three multidisciplinary institutes, with one dedicated to advanced bio-based manufacturing, another to focus on anti-microbial resistance research, and the third on crop science and pollinator health.

The OGS Initiative would add funds for high-priority USDA research as well as construction of a new biosafety research laboratory.

For additional information on APLU's agriculture research priorities, the APLU Board on Agriculture Assembly FY2015 appropriations request documents will be updated [here](#) soon.

Documents related to the USDA FY2015 budget request are available [here](#).

Department of Commerce

The Department of Commerce FY 2015 budget request includes \$25 million for the Regional Innovation Strategies Program at the Economic Development Administration (EDA) to promote economic development planning and projects that spur entrepreneurship and innovation at the regional level.

- National Institute of Standards and Technologies (NIST)

Within NIST, the Administration budget would provide \$141 million, a \$13 million increase over the 2014 enacted level for the Hollings Manufacturing Extension Partnership (MEP), with the increase focused on expanding technology and supply chain capabilities to support technology adoption by smaller manufacturers to improve their competitiveness. The Budget also includes \$15 million for the Advanced Manufacturing Technology Consortia.

- National Oceanic and Atmospheric Administration (NOAA)

The budget request for the National Oceanic and Atmospheric Administration (NOAA) Office of Oceanic and Atmospheric Research (OAR) is \$495 million for FY2015, a substantial increase when compared to \$416 million in FY2014.

An overview of the NOAA budget, which is incorporated into the larger budget for the Department of Commerce, is available [summary](#) and [budget tables](#). NOAA plans to release their specific budget details next week.

Department of Defense (DoD)

The FY2015 budget request for the DoD proposes decreases to both basic research (“6.1”) and applied research (“6.2”) programs as compared to FY2014 enacted levels.

Specifically, the Pentagon budget seeks approximately \$2.017 billion for 6.1 research, as compared to 2.167 billion in FY2014, while 6.2 research is proposed to be funded at \$4.457 billion, down from the FY2014 level of \$4.642 billion.

The Defense Advanced Research Projects Agency (DARPA) would be increased nearly \$135 million to a proposed funding level of \$2.914 billion.

The DoD “R-1” document, which breaks down the defense research budget, can be found [here](#).

Department of Education (ED): Student Aid and Higher Education

With respect to the areas of student aid and higher education, the Administration seeks to raise the total maximum Pell Grant award to \$5,830, an increase of \$100 from the current level, with the increase coming on the mandatory side and the discretionary request remaining flat at \$4,860.

The Administration would provide level funding for Federal Work Study (\$1.2 billion), Supplemental Educational Opportunity Grants (\$975 million), Federal TRIO programs (\$838 million), and GEAR UP (\$302 million). With FWS and SEOG, the Administration hopes to

revise current funding formulas to “reward institutions that enroll and graduate higher numbers of Pell-eligible students while offering an affordable and quality education.”

The Budget would provide \$29.3 million for the Graduate Assistance in Areas of National Need (GAANN) program. There is no mention of JAVITS priorities within GAANN.

The budget outlines a new College Opportunity and Graduation Bonus, which would be funded at \$7 billion in mandatory money over 10 years, to reward colleges that enroll and graduate low-income students and encourage all colleges to improve performance.

In efforts to spur state action, the Administration proposes a new State Higher Education Performance Fund, funded at \$4 billion in mandatory funds over four years. It would provide four year grants to states to support “1) the successful implementation of policy and funding reforms that encourage and reward improved college performance, as well as institutional innovation and reforms; and 2) maintaining state expenditures in higher education in states with a strong record of investment or increasing state support in low investment states.”

The Administration proposes reforming and expanding the Perkins Loan program to provide \$8.5 billion in new loan volume annually, representing eight and a half times the current Perkins volume.

The Administration would provide the Fund for the Improvement of Postsecondary Education (FIPSE) with \$175 million, including approximately \$100 million for First in the World, a competitive program for institutions to develop innovative strategies to improve college completion rates and make college more affordable, and \$75 million for a new College Success Grants for Minority Serving Institutions initiative.

The FY2015 budget also includes \$52 million for GPRA/HEA Program evaluation, including \$30 million for pilot and demonstration programs to support the development and refinement of a new college ratings system.

The International Education and Foreign Language Studies programs (Title VI) would be funded at \$76.2 million, an increase of \$4 million over the 2014 level to support Asia-Pacific and Sub-Saharan Africa efforts.

For 2015, the Administration is seeking \$637.2 million for Institute of Education Sciences (IES) activities, an increase of \$60.2 million over the 2014 appropriation level.

And lastly, to help borrowers manage their debt the Administration would extend Pay-As-You-Earn (PAYE) to all student borrowers and better targets PAYE benefits

Detailed FY2015 ED budget documents are available [here](#). They offer specific detailed documents on matters such as [College Access, Affordability, and Completion](#) and [STEM education](#).

Department of Energy (DOE)

The President’s budget would provide \$27.9 billion for the [Department of Energy \(DOE\) FY2015 Budget](#), a 2.6 percent increase over FY2014 enacted.

For the Department of Energy’s Office of Science (SC), the Administration would provide \$5.111 billion, a 0.9% increase over FY2014 enacted. Within SC, Basic Energy Sciences would be provided \$1.8 billion for FY2015. They also call for a “sustained commitment” to the Energy Frontier Research Centers.

The Budget includes \$325 million, a 16% increase over FY2014, for the Advanced Research Projects Agency–Energy (ARPA-E) in FY2015. The Administration also would provide \$863 million for Nuclear Energy for ongoing research and development in advanced reactor and fuel cycle technologies and \$475 million for Fossil Energy Research and Development to advance carbon capture and storage and natural gas technologies.

Within Energy Efficiency and Renewable Energy (EERE), there is FY2015 funding to support the deployment of at least one additional Clean Energy Manufacturing Innovation Institute, along with continued support of existing institutes, as part of a larger proposed interagency network aimed at bringing together universities, companies, and the government.

The OSG Initiative would provide additional funds for DOE's clean-energy programs, accelerating development and deployment of clean-energy technologies.

Department of Health And Human Services (HHS)

The Department of Health And Human Services (HHS) FY2015 budget in brief is available [here](#).

- National Institutes of Health (NIH)

The President's budget for FY2015 provides \$30.2 billion for the National Institutes of Health, an increase of less than one percent over the FY2014 enacted level of \$29.9 billion. The proposed budget includes increased funding for Alzheimer's research and for the Brain Research through Advancing Innovative Neurotechnologies (BRAIN) Initiative. Additionally, the budget includes \$30 million for a new advanced research program modeled after DARPA at the Department of Defense.

Of the \$5.3 billion proposed for R&D in the OGS Initiative, \$970 million would be targeted for NIH, supporting about 650 additional new grants and providing further increases for the BRAIN Initiative, Alzheimer's research, vaccine development and another \$30 million for the DARPA-inspired program.

More information about the FY 2015 budget proposal for NIH, including the proposed funding levels for the Institutes and Centers will be available by next week.

Department of Interior

- Geological Survey (USGS)

The [FY2015 request for the U.S. Geological Survey \(USGS\)](#) is \$1.1 billion, a \$41 million increase above the FY2014 enacted level. The budget would fund the USGS Water Resources Research Act at \$3.5 million, a dramatic decrease of \$3.0 million from 2014. However, it is often the case that the Administration's request is significantly lower than the amount appropriated by Congress.

Funding for Cooperative Research Units (CRU) is proposed at \$18.551 million, an increase of \$1.18 million. A majority of that increase is for the CRU Scientists for Tomorrow youth initiative.

Environmental Protection Agency (EPA)

The Environmental Protection Agency (EPA) Science and Technology (S&T) budget request is \$763 million for FY2015, an increase of approximately \$4 million over FY2014.

FY2014 EPA budget documents are available [here](#).

National Aeronautics and Space Administration (NASA)

The President's budget requests Provides \$17.5 billion in discretionary funding for the National Aeronautics and Space Administration (NASA) in FY2015.

NASA Science Mission Directorate (SMD) would be funded at \$4.972 billion, a decrease of nearly \$180 million. Within SMD, the FY2014 Budget would provide:

- \$1.77 billion for Earth Science
- \$1.28 billion for Planetary Science
- \$607 million for Astrophysics
- \$645 million for the James Webb Space Telescope
- \$669 million for Heliophysics

For Aeronautics, the President requests \$551 million, a decrease of \$15 million, and \$706 million for Space Technology account. The Administration requests \$24 million for Space Grant program.

The Budget states it “continues NASA’s effort to consolidate its education efforts into a more focused portfolio funded through the NASA Office of Education. Additionally, the Budget provides \$15 million to NASA’s Science Directorate to fund the best application of NASA Science assets to meet the Nation’s STEM education goals through a competitive process.”

Additional funding of \$886 billion from the OSG Initiative would be slated for SMD, Aeronautics, Space Technology, and other efforts.

The NASA FY2015 Budget Documents are available [here](#).

National Endowment for the Humanities (NEH)

The President's Budget would provide National Endowment for the Humanities (NEH) with \$146 million in FY2015, level with FY2014.

Highlights of the FY2015 funding request include:

- continued support for *Bridging Cultures: Understanding the U.S. and the World*
- a new initiative, entitled *Standing Together: The Humanities and the Experience of War*, that will support the nation's active duty military, veterans, military families, and civilians by encouraging and expanding humanities projects that focus on the history, experiences, and meaning of war and military service; and
- support for creative partnerships, such as NEH's ongoing collaboration with the NSF for projects that document, record, and archive endangered languages worldwide.

The NEH 2015 budget [press release](#) and [table](#) are now available.

National Science Foundation (NSF)

The President's FY2015 budget request provides \$7.3 billion for the National Science Foundation (NSF), a one percent increase over FY2014 enacted. Within that amount, the administration proposes \$213 million for multidisciplinary research targeted at new materials, smart systems, advanced manufacturing technologies, and robotics technologies; \$25 million for

the Innovation Corps (i-Corp) program; \$20 million for the BRAIN Initiative; and \$333 million for Graduate Research Fellowships.

The budget proposes an additional \$552 million for NSF from the OGS initiative.

The [NSF FY2015 Budget Request](#) website has a few documents but further details are slated to be released on March 10 on the NSF website.

STEM Education Across the Government

According to the OSTP [STEM Education FY 2015 summary](#) document, “Agencies will focus on internal consolidations and eliminations, while funding their most effective programs. As a result, the 2015 Budget continues to reduce fragmentation, building on the substantial number of internal consolidations and eliminations that agencies began implementing in 2013 and 2014.” The agencies are still expected to follow the Federal STEM Education Five-Year Strategic Plan and Committee on STEM Education (CoSTEM) report. The FY2015 Budget proposes 31 additional STEM education program consolidations or eliminations.

Manufacturing Programs Across the Government

As mentioned in various places in the analysis above, proposed manufacturing opportunities abound in the FY2015 budget.

- The Department of Agriculture’s proposed budget includes \$75 million to support three multidisciplinary institutes, with one dedicated to advanced bio-based manufacturing.
- The Department of Energy is would be funded with \$305 million to expand efforts on innovative manufacturing processes, including Clean Energy Manufacturing Innovation Institutes as part of a larger national network of manufacturing innovation institutes.
- The National Science Foundation (NSF) would provide \$151 million for fundamental research on revolutionary new manufacturing technologies in partnership with other agencies and the private sector. This advanced manufacturing research is part of a larger \$213 million NSF research initiative aimed at transforming static systems, processes, and infrastructure into adaptive, pervasive “smart” systems with embedded computational intelligence that can sense, adapt, and react.
- Additionally, the OGS Initiative would support a National Network for Manufacturing Innovation with up to 45 manufacturing innovation institutes across the country.

Department of Treasury

The President’s budget would permanently extend the American Opportunity Tax Credit (AOTC) while also improving the coordination between AOTC and Pell grants so that Pell does not count against students for eligibility for the refundable portion of the tax credit.

The President’s budget would also exclude from taxable income student loan forgiveness for students in income-based or income-contingent repayment programs who have completed payment obligations. Similarly, The Indian Health Service (IHS) Professions Scholarship and IHS Loan Forgiveness Program would be excluded from taxable income.