University of Wisconsin–Madison Office of Federal Relations
Summary of President Obama’s FY 2016 Budget Request

I. Summary

On February 2, the President released the details of his FY2016 budget request to Congress. The request calls for increases above the budget caps established by the 2011 Budget Control Act otherwise known as “sequestration.” Overall, the President’s request seeks a 7% increase above FY2015 enacted levels in both defense and non-defense discretionary accounts. These spending increases are offset by new fees on large financial institutions, increased taxes, international tax reform, and an overhaul of the corporate tax code.

II. Process

In the coming weeks, the Appropriations committees will begin hearings to examine the recommendations included in the President’s request. It is likely we will see a markup of bills in subcommittee in late spring/early summer.

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

Office of Federal Relations summary

Includes $450 million, a substantial increase above the $325 million in FY2015 for Agriculture and Food Research Initiative (AFRI), the core competitive research program at USDA. Other requested funding levels of note:

- Hatch Act: $256 million — an increase from the FY2015 level of $243 million
- McIntire-Stennis Cooperative Forestry — $33.9 million or level funding from FY2015
- Smith-Lever: $304 million — a slight increase ($4 million) above the FY2015 level

The budget also includes $80 million to support the creation of several new Innovation Institutes. This provision was included in the FY2015 request but was not funded by Congress last year.

DEPARTMENT OF AGRICULTURE (USDA): NATIONAL INSTITUTE OF FOOD AND AGRICULTURE (NIFA)
BUDGET DOCUMENTS

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Department of Commerce

Office of Federal Relations summary

The Department of Commerce FY2016 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)

Office of Federal Relations summary

Provides $141 million, an $11 million increase over FY2015, for the Hollings Manufacturing Extension Partnership (MEP). The budget also includes $15 million for the Advanced Manufacturing Technology Consortia, level with FY2015.

In addition, the budget includes $150 million for the newly authorized National Network for Manufacturing Innovation with the intention to launch 7 more institutes in 2016, building on the current 9 institutes, and calls for the full investment required to complete a national network of 45 manufacturing institutes.

National Oceanic and Atmospheric Administration (NOAA)

Office of Federal Relations summary

The Administration proposes moving NOAA to the Interior Department and requests an increase of $52 million for the Office of Oceanic and Atmospheric Research (OAR) for a total of $485 million in FY2016.

Department of Defense (DoD)

Office of Federal Relations summary

The FY2016 budget request for DoD proposes decreases to basic research (“6.1”) and a modest increase to applied research (“6.2”) programs compared to FY2015 enacted levels. The Pentagon budget seeks approximately $2.088 billion for 6.1 research, as compared to $2.277 billion in FY2015. DoD 6.2 research is proposed to be funded at $4.713 billion, as compared to $4.647 in FY2015. The Defense Advanced Research Projects Agency (DARPA) would increase nearly $100 million to a level of $3 billion.
Department of Education (ED): Student Aid and Higher Education

Office of Federal Relations summary

The Administration’s request includes two years of free community college for responsible students through a $60.3 billion mandatory investment in America’s College Promise over the next 10 years.

The request also includes a $29.7 billion mandatory investment over 10 years to continue indexing Pell Grants to inflation after 2017.

The International Education and Foreign Language Studies programs (Title VI) would be funded at $76 million, an increase of $4 million over the FY2015 levels. For FY2016, the Administration is seeking $675 million for Institute of Education Sciences (IES) activities, an increase of $101 million over the FY2015 appropriated level.

The Administration would increase the Federal TRIO programs by $20 million (up to $860 million) and provide level funding for Federal Work Study (FWS) ($989 million), Supplemental Educational Opportunity Grants ($733 million), and GEAR UP ($301 million). With FWS and SEOG, the Administration recommends revising current funding formulas to reward institutions that enroll and graduate higher numbers of Pell-eligible students and offer affordable and quality educations.

The budget would provide level funding of $29.2 million for the Graduate Assistance in Areas of National Need (GAANN) program.

The budget request includes $200 million for the First in the World, a competitive program within the Fund for the Improvement of Postsecondary Education (FIPSE) that provides grants to institutions to develop innovative strategies to improve college completion rates.

Reforms:
The budget request calls for simplification of the Federal Application for Financial Student Aid (FAFSA) to make it easier for families to access resources to help pay for college and also helping borrowers manage their debt by streamlining and better targeting income-driven repayment options.

Also, the budget request reforms and expands the Perkins Loan program to provide $8.5 billion in new loan volume annually.
Department of Energy (DOE)

Office of Federal Relations summary

The President’s budget would provide $29.923 billion, a 9.2% increase over FY2015 enacted.

The DOE’s Office of Science (SC) would receive $5.34 billion, a 5.4% increase over FY2015.

- Basic Energy Science (including continued support for Energy Frontier Research Centers (EFRCs)) would receive $1.85 billion, $116 million above FY2015.
- Biological and Environmental Research (BER) and Bioenergy Research Centers (BRSc) would receive $612 million, $20 million above FY2015.
- The Advanced Research Projects Agency-Energy (ARPA-E) would receive $325 million, a 16.1% increase over FY2015.
- Nuclear Energy would receive $908 million for ongoing research and development in advanced reactor and fuel cycle technologies.
- Fossil Energy Research and Development would receive $560 million, a decrease of $587,000, or 0.1% below FY2015 levels.
- The office of Energy Efficiency and Renewable Energy (EERE) would receive $2.723 billion, a substantial increase of $809 million or 42.3% above the FY2015 to continue a diverse suite of sustained investment in sustainable transportation technologies ($793 million), renewable energy generation technologies ($645 million), and development of manufacturing technologies and enhanced energy efficiency in our homes, buildings and industries ($1.03 billion).

DEPARTMENT OF ENERGY (DOE) BUDGET DOCUMENTS

Department of Interior

Geological Survey (USGS)

Office of Federal Relations summary

The USGS budget request is $1.2 billion for FY2016, an increase of $149.8 million over FY2015. The budget would fund the USGS Water Resources Research Act at $222 million, an increase of $12 million from FY2015.

The budget request includes $6.5 million for the Water Resources Research Institutes, level with FY2015 appropriated amounts. The Budget request also includes funding for the Cooperative Research Units (CRU) program at $19.992 million, an increase of $2.621 million over the FY2015 enacted level.

DEPARTMENT OF INTERIOR BUDGET DOCUMENTS
**Environmental Protection Agency (EPA)**

*Office of Federal Relations summary*

The Environmental Protection Agency (EPA) Science and Technology (S&T) budget request is $769 million for FY2016, an increase of approximately $34 million over FY2015.

**EPA BUDGET DOCUMENTS**

**Department of Health and Human Services (HHS)**

**National Institutes of Health (NIH)**

*Office of Federal Relations summary*

The Administration's request provides $31.3 billion for NIH, an increase of $1.2 billion or 4% over FY2015.

Proposed themes include:

- Unraveling Life's Mysteries through Basic Research
- Translating Discovery into Health
- Harnessing Data and Technology to Improve Health
- Preparing a Diverse and Talented Biomedical Research Workforce

Combating Antibiotic Resistant Bacteria (CARB) — proposes $461 million in FY2016, an increase of $100 million over FY2015, in support of the Administration's National Strategy to Combat Antibiotic Resistant Bacteria.

Precision Medicine — proposes a total of $215 million between three agencies within HHS to launch a Precision Medicine Initiative, with $200 million going to NIH and the remainder for FDA, and the Office of the National Coordinator for Health Information Technology (ONC).

The Brain Research through Advancing Innovative Neurotechnologies (BRAIN) Initiative — In FY2016, NIH plans to spend $135 million, an increase of $70 million over FY2015, to expand the BRAIN Initiative, which is aimed at revolutionizing understanding of the human brain.

Research Project Grants (RPGs) — NIH estimates it will devote $17.2 billion, or 55% of its budget to finance a total of 35,447 research project grants in FY2016. This includes 10,303 new and competing RPGs or 1,227 above the FY2015 estimate. If the proposed funding level is approved by Congress, the applicant success rate would increase to 19.3%, an improvement over the FY2015 estimated success rate of 17.2%.
Research Centers — NIH estimates support for Research Centers in FY2016 at $2.636 billion. This represents a $62.6 million decrease compared with the FY2015 level of $2.723 billion. However, NIH estimates that it would fund an estimated 1,399 grants, or 42 more grants for FY2016.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) BUDGET DOCUMENTS**

**National Aeronautics and Space Administration (NASA)**

*Office of Federal Relations summary*

The NASA Budget requests $18.529 billion, an increase of $519 million or 2.9% for FY2016.

NASA Science Mission Directorate (SMD) would be funded at $5.3 billion, an increase of $43.9 million over FY2015 levels. Within SMD, the FY2016 Budget would provide:

- $1.947 billion for Earth Science, an increase of $174.8 million over FY2015
- $1.361 billion for Planetary Science, a decrease of $76.6 million from FY2015
- $709 million for Astrophysics, an increase of $24.3 million over FY2015
- $620 million for the James Webb Space Telescope, a decrease of $25.4 million over FY2015
- $651 million for Heliophysics, a decrease of $11.2 million from FY2015

For Aeronautics, the President requests $571.4 million, a decrease of $79.6 million below FY2015 and $724.8 million, an increase of $128.8 million over FY2015, for the Space Technology account. The Administration requests $24 million for the Space Grant program, a decrease of $16 million below FY2015.

The Budget states it “continues NASA’s efforts to consolidate its education efforts into a more focused portfolio funded through the NASA Office of Education. Additionally, the Budget provides $20 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.”

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) BUDGET DOCUMENTS**

**National Endowment for the Humanities (NEH)**

*Office of Federal Relations summary*

The FY2016 President’s request for NEH is $147.9 million, a $1.9 million increase above FY2015. The budget request includes:

- $104 million for the Endowment’s grant programs supporting humanities projects. This includes $43 million for the operations, projects, and programs of the state and territorial humanities councils.
• $5.5 million for a special initiative—The Common Good: The Humanities in the Public Square—in support of projects that demonstrate the critical role the humanities can play in our public life. The Common Good includes the continuation and expansion of Standing Together, the Endowment’s initiative for veterans and active duty military.
• $10.9 million in federal matching funds, including funding for the NEH Challenge Grants program to help stimulate and match private donations in support of humanities institutions and organizations.

NEH BUDGET DOCUMENTS

National Science Foundation (NSF)

Office of Federal Relations summary

The FY16 budget would increase funding for NSF by $379.8 million to $7.724 billion, an increase of 5.2 percent. Within that amount, the administration proposes $257 million for Cyber-Enabled Materials, Manufacturing, and Smart Systems (CEMMSS) research; $30 million for the Innovation Corps (i-Corp) program; $72 million for the cross-agency BRAIN Initiative; and $1.2 billion for STEM education activities. The budget also proposes an additional $377 million in clean energy investments to support research and education in alternative forms of energy.

Additional FY2016 NSF budget highlights:

• Cyberinfrastructure Framework for 21st Century Science, Engineering, and Education (CIF21): $143 million
• Science, Engineering, and Education for Sustainability (SEES): $81 million
• Secure and Trustworthy Cyberspace (SaTC): $124 million
• Advanced Manufacturing: $76.57 million
• Research at the Interface of Biological, Mathematical and Physical Sciences, and Engineering (BioMaPS): $33 million
• Graduate Research Fellowships (GRF): $337.5 million
• Improving Undergraduate STEM Education (IUSE): $134.8 million
• NSF Research Traineeships (NRT): $62 million
• US Activities in Antarctic: $18.5 million

The NSF’s budget proposal suggests an increase in the impact of its investments and operational efficiency by expanding public access to the results of research. Another “reform” mentioned in the documents is that NSF will reduce the cost of processing research grant proposals.

NATIONAL SCIENCE FOUNDATION (NSF) BUDGET DOCUMENTS

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STEM (Science Technology Engineering and Mathematics)

The President’s FY2016 budget invests more than $3 billion, an increase of 3.6 percent above the 2015 enacted level, in programs across the federal government on STEM education. Higher education programs include initiatives at the National Science Foundation, Department of Education, and Department of Energy for undergraduate and graduate students.

Highlights include:
- Improving undergraduate STEM education with NSF investing $135 million to improve retention of STEM majors and improve teaching and learning in STEM subjects.
- Investing in groundbreaking research on STEM teaching and learning with up to $50 million for the ARPA-ED, allowing ED to support high-risk, high-return research on next generation learning technologies, including for STEM education.

STEM IN THE 2016 BUDGET: WHITE HOUSE OSTP FACT SHEET

Department of Treasury

Office of Federal Relations summary

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 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.

DEPARTMENT OF TREASURY BUDGET DOCUMENTS

Source: APLU, AAU, agency summaries