

## **From the Lewis-Burke Washington Report, January 16, 2004**

### FY 2004 Federal Budget

On January 20th the Senate reconvenes for the start of the second session of the 108th Congress. The first order of business will be to try to pass the conference report for the FY 2004 Omnibus Appropriations Act. This conference report, which was passed by the House last November, contains the FY 2004 funding for such agencies as NIH, NSF, NASA, the Department of Education, and the National Oceanic and Atmospheric Administration – just about all the research and education agencies with the exception of the DOD, Department of Energy's Office of Science, and the Department of Homeland Security. If the Senate should muster enough votes to pass the conference report, it will then go to the President to be signed into law. However, as of today, it is not at all clear there are enough votes in the Senate to pass the bill and send it to the President. There are a number of legislative provisions in the omnibus that are of grave concern to certain interest groups. For example, labor unions are working to defeat the omnibus because it does not include a provision delaying changes to overtime compensation rules. Another provision would delay scheduled country-of-origin labeling for meat and produce until 2006. In the face of the recent news on mad cow disease, this delay seems especially problematic.

If the Senate fails to pass the FY 2004 omnibus, Congress may be forced to enact a year long continuing resolution. If the Congress decides to enact a year long continuing resolution (CR), then the next question will be to what funding level will they tie the CR. It could be to the FY 2003 level which would negate the already meager increases the science agencies got out of the FY 2004 omnibus. Another option would be to tie the CR to the levels contained in the omnibus conference report – that would allow the modest increases to go forward. Such decisions could mean significantly different funding levels for NSF programs such as DMS (\$179.62 million FY03 vs. \$201.87 million FY04) and MSP (\$127.5 million FY03 vs. \$140 million FY04).

### FY 2005 Federal Budget

Even though the FY 2004 budget is far from finished, the White House is getting ready to release the proposed budget for FY 2005 on February 2, 2004. Early reports indicate that the NIH increase will be between 2 and 2.5%. For NSF 2% is the figure most often quoted. For the other science agencies, the news is equally disappointing.

Overall the President's budget is expected to hold the line on domestic discretionary spending with an increase limited to approximately 3%. This is the section of the federal budget that includes everything from NIH and NSF to NASA to highway funding to homeland security to student loans. We expect the President's budget will place a high priority on homeland security and perhaps a very few other initiatives such as international AIDS funding and education. Most other federal programs will be level or reduced from their estimated FY 2004 level.

How the Congress will respond to these meager requests will begin to be seen fairly quickly since the legislative season will be short by virtue of the national elections this fall. Much will hinge on the overall funding allocations given to each appropriations subcommittee. For example, the VA, HUD and Independent Agencies Appropriations Subcommittee (which supervises the NSF budget, among others) may find it difficult to provide the kind of double digit percentage increases for NSF envisioned in the NSF Authorization Act under its allocation. While there is strong support for the agency from members of the subcommittee, the Administration's likely request for an \$800 million increase for a NASA Moon initiative and election-year pressures to provide large increases to Veterans medical care will both need to be funded through the same subcommittee; if the subcommittee's allocation is not sufficiently large, NSF and other programs could find their budgets squeezed.

Once the FY 2005 budget is released in early February, Lewis-Burke Associates will provide MAA with a comprehensive analysis of the President's budget and what it means for research and education.

## Mathematics and Sciences Partnership Program to Shift from NSF?

According to an article in the most recent edition of *Science*, it is virtually certain that President George W. Bush's FY 2005 budget will phase out NSF's Math and Science Partnership (MSP) program and combine it with a related program in the Education Department (ED). This would shift responsibility for improving pre-college student achievement in mathematics and science out of NSF. The proposed new Education Department program would have a budget of about \$280 million.

The reported reorganization would be more than an administrative re-shuffle. The MSP program at NSF awards peer-reviewed nationally competitive grants; the proposed program at ED would make only block grant distributions to states, based on the size of their student population. The *Science* article described the proposed shift as "a blow to university researchers, who use NSF funding to support programs in local school districts to train teachers, improve curricula, and devise better ways to measure student progress in math and science. NSF currently supports 52 such projects."

Why the shift is being proposed is not clear, and officials would not talk on the record. The *Science* article reported that, in private, some administration officials saw NSF's current MSP programs as "not sufficiently supportive of the NCLB [No Child Left Behind] act." Part of the NCLB act requires states receiving federal NCLB funds to begin testing students in science in 2007. An unnamed official was quoted as saying "NSF's programs aren't helping them get ready fast enough."

There is opposition to the president's 2005 proposal. According to *Science*, many legislators believe "that NSF is better equipped than ED to run a high-quality program with a lasting impact on student achievement." Only time, and politics, will tell whether NSF's MSP program will survive.