Local and Federal Relations Update: Federal Funding – FY17

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Role of Governmental Affairs

- Governmental Affairs addresses issues across a wide range of subjects and jurisdictions, including:
  - Immigration
  - Power plant regulations
  - Homeland security issues re: stadium or treatment of potentially hazardous materials
  - Tuition policy
  - Housing issues (safety and local development)
  - International student issues
  - And of course, funding!

- Sometimes Federal, State, and Local rules and regulations interact with each other – sometimes providing contradictory directions, or resulting in unintended consequences (i.e. Buy American vs. Fleet Fuel Economy)
Figure 3: Budget Deal for FY 2016 and FY 2017

billions of constant 2015 dollars

Based on past budget resolutions, the Budget Control Act, and subsequent legislation. Adjusted for inflation using deflators from the FY16 budget request. © AAAS 2015
Federal Spending Since FY 2010
Percent change from FY10 levels, constant dollars

*Excludes ARPA-E. Based on AAAS analyses of historical OMB and appropriations data.
FY 2015 Budget by Source of Funds
Total Outlays = $3.9 trillion
Total Receipts (without borrowing) = $3.3 trillion

- Borrowing $564
- Other Taxes (excise, gas, estate, etc.) $299
- Social Insurance and Retirement (Payroll Taxes) $1,056
- Corporate Taxes $449
- Income Taxes $1,534

Source: Budget of the United States Government FY 2015. © 2014 AAAS
Two Spending Categories: Discretionary vs. Mandatory

- Mandatory Spending (aka Direct Spending)
  - Mostly entitlements
  - Potential for high political sensitivity = “third rail”
  - Changed only by act of Congress: essentially “on autopilot”

- Discretionary Spending:
  - Adjusted annually
  - Easy targets?
    - i.e. Sequestration
  - Vast majority of federal R&D is discretionary
Figure 1: Composition of the Proposed FY 2016 Budget
Total Outlays = $4.0 trillion

- Net Interest $283
- Defense Discretionary $528
- [Defense R&D] $77
- Nondefense Discretionary $495
- [Nondefense R&D] $69
- Medicare $583
- Social Security $938
- Other Mandatory $670
- Medicaid $351

R&D figures above are current AAAS estimates of proposed budget authority. Source: Budget of the United States Government FY 2016. Projected deficit is $474 billion. © 2015 AAAS
Q: How Did We Get Here?
A: A convoluted, complicated, old and evolving process...

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<th>FY 2013</th>
<th>----- Spend Fiscal Year Budget -----</th>
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| FY 2014 | **Budget Release**  
Negotiate and finalize budget proposal with OMB via passbacks  
• Budget Resolution  
• 302(a) and (b)  
• Hearings  
Write, pass, and conference twelve appropriation bills |
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| FY 2015 | Planning within Agency  
Agencies receive strategic guidance from OMB  
Agencies submit budget proposals  
Negotiate and finalize budget proposal with OMB via passbacks  
**Budget Release**  
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Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep
BUDGET TIMELINE

- **February 9** — The President submits the Fiscal Year budget request to Congress.
- **February 10** — Congressional committees begin hearings on president’s budget request.
- **April 15** — Statutory deadline (though frequently missed) for Congress to complete its annual budget resolution. The resolution sets a limit on discretionary (for fiscal 2013-2021, discretionary appropriations caps were established by the August 2011 debt limit).
- **May 15** — The date after which the House may consider appropriations bills even if a final budget resolution has not been adopted.
- **End of June** — Beginning of Congress’ July Fourth recess -- the informal deadline that House leaders set for passing all 12 regular appropriations bills.
- **Early August** — Beginning of the Senate’s summer recess -- the Senate’s informal deadline for passing all 12 spending bills.
- **Early September** — House and Senate return from summer recess to negotiate differences and clear all appropriations bills before the new fiscal year begins on October 1.
- **October 1** — New fiscal year begins. At this point, a stopgap “continuing resolution” would be required to finance any agency whose appropriations bill has not been enacted.
Current Federal Budget Outlook

- FY16 appropriations completed on December 16
- FY17 appropriations process starts with submission of President Obama's budget request to Congress on February 9
- FY17 appropriations hearings will take place early spring
- Process should follow “Regular Order” at least for a while
- FY17 ends September 30
- It is too early to predict when FY17 appropriations negotiations will be completed. However, presidential-congressional tensions and election-year politics are expected to impede progress
The Federal R&D Budget: The Basics

- About $136.5 billion in FY 2015
  - Down ~15% since 2010
  - About half = DOD
  - Basic + applied research = nearly half

- Fragmented
  - More than two dozen departments and agencies
  - But “top heavy” (DOD and NIH)

- Funds ~60% of university R&D

- Declining share of economy

- Declining share of national R&D investment (vs. industry)
Total R&D by Agency, FY 2015
budget authority in billions of dollars

- Commerce, $1.6
- USDA, $2.4
- NSF, $5.6
- NASA, $11.6
- DOE, $12.3
- HHS (NIH), $31.1
- All Other, $6.2

Total R&D = $136.5 billion
*OGS Initiative is an extra $5.3 billion*

DOD, $65.7

Source: OMB R&D data, agency budget justifications, and other agency documents and data. R&D includes conduct of R&D and R&D facilities. © 2014 AAAS
Trends in R&D by Agency
in billions of constant FY 2013 dollars

FY 2013 and FY 2014 figures are latest estimates.
1976-1994 figures are NSF data on obligations in the Federal Funds survey.
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Federal funding makes up 64% of all external funding at MSU.
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2016 ELECTIONS

- Republican Party controls both chambers of Congress
  - But 24 of the 34 Senate seats up election are Republican
- Supreme Court Nomination Process could dominate Senate elections
- Outlook on Presidential election unclear. Could be a contested convention (possibly on both sides)
- Will create significant obstacles to completing budget process in a timely fashion.
FRIB

Federal

- $100 million proposed for FY17 – Same level as current year.
- This is the top of the funding profile, which means a Continuing Resolution
- Operating Budget proposed between $92-100M
- Currently 10 weeks ahead of schedule
MI Spartan Impact Website

MI SPARTAN IMPACT

MSU works side by side for a stronger Michigan.

Every day, Michigan State University works to advance prosperity for the people of Michigan—making a positive impact on the state’s economy in the areas of technology, agriculture, manufacturing, health care, education, energy, environment, and the arts.

MSU’s talent and expertise help position Michigan as an uncompromising competitor in a global market, and we make vital contributions to the state’s economy. In fiscal year 2013, MSU attracted more than $477 million in external funding. The University Research Corridor—comprising Michigan State University, the University of Michigan, and Wayne State University—has a combined $16 billion annual economic impact in Michigan.

Michigan State—particularly through AgBioResearch and Extension—plays a key role in the state’s annual $91.4 billion food and agriculture system through partnerships, research, and educational programs in all 83 counties.

MSU is making a difference—everywhere—in Michigan.

EXPLORE THE MAP
Move your cursor over regions of the map for an overview of MSU’s impact in that part of the state.

Click on a region of the state to view additional detail.

STATEWIDE IMPACT
Click the button below for highlights of MSU’s overall impact in Michigan.

Read overview.

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MI Spartan Impact Regional Data

REGION 8
Barry, Clinton, Eaton, Gratiot, Ingham, Ionia, Montcalm

- ENROLLED MICHIGAN STUDENTS: 5,131
- VETERINARY MEDICINE STUDENTS: 132
- ENROLLED MEDICAL STUDENTS: 334
- ALUMNI RESIDING IN REGION: 47,383
- SPENDING WITH LOCAL BUSINESSES: $204,331,952
- TOTAL ECONOMIC IMPACT: $2,931,036,531*
- STAFF/FACULTY RESIDING IN REGION: 9,233
- FINANCIAL AID DISBURSED: $50,243,100
- 4-H YOUTH PARTICIPANTS

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MI Spartan Impact Partnerships

PARTNERSHIPS & PROGRAMS

Michigan State University partners with communities, organizations and businesses throughout the state of Michigan. Here are just some of the many ways MSU is working in this region:

Encouraging exercise, improving health for young girls
With the help of a $3.6 million federal grant, Lorraine Robbins of the College of Nursing is leading a program to help Detroit, Jackson, Flint, Lansing, Muskegon, Kalamazoo, and Ypsilanti middle school girls—particularly minority girls in urban, low socioeconomic settings—increase their physical activity. The five-year Girls on the Move project, funded by the National Institutes of Health, focuses on individual and web-based counseling sessions with school nurses and an after-school physical activity club.

Increasing breastfeeding rates
The Mother-to-Mother Peer Program’s Breastfeeding Initiative reaches more than 600 families annually and has an initiation rate of 91 percent for participating mothers. The Breastfeeding Initiative staff serves women and families at more than 25 Women, Infants, and Children program clinics and seven hospitals.

REGIONAL CONTACT INFORMATION

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Website: https://www.msu.edu/%7emsuaa024/www.msu.edu_%7emsuaa024/Welcome.html

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