

MICHIGAN STATE
UNIVERSITY

January 11, 2008

Dear Colleague,

The reauthorization of the Farm Bill is rapidly coming to a close. Both the House (HR 2419) and the Senate (S 2302) have passed legislation in their respective domains and, while there are differences between the two, each bill greatly reflects the concepts advanced by the Board on Agriculture Assembly's CREATE-21 efforts to enhance research, extension and teaching in our universities via the Research Title (Title VII). The prodigious efforts of our deans have had much of their intended impact. However, the work is not yet done. As the two bills move to conference, the differences between them need to be reconciled, and we urgently need your immediate and direct assistance, especially in three key areas.

First, the House legislation contains a provision that will preserve an additional \$200m in IFAFS (Initiative for Future Agriculture and Food Systems) mandatory funding per year for competitive research funding—beginning in FY 2010. The Senate has proposed diverting all but \$45,000,000 of those funds for uses in other titles of the Farm Bill, uses that would not provide the benefits to our institutions' research portfolios that we have so urgently sought.

Acting on our behalf, Peter McPherson sent a letter to Senate Agriculture Committee Chairman Tom Harkin (D-IA) and Ranking Member Saxby Chambliss (R-GA) on the eve of the bill's markup asking that the authority for the IFAFS funding be restored, but the bill passed out of committee absent the provision. The bill subsequently cleared the Senate with a partial restoration of these important funds. Nonetheless, both the Senate and the House are now on record supporting the program.

Secondly, there is the always critical issue of the indirect cost return on grants. The House bill places a cap at 19%; the Senate allows a negotiated level "not to exceed 30 percent". Obviously, the higher rate is preferred if there is to be a cap at all.

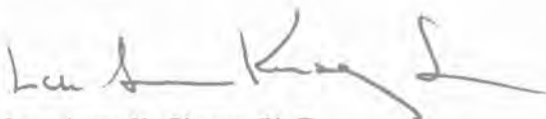
Third, CREATE-21 has supported a new authorization for a small competitive capacity-building grants program for AASCARR (American Association of State Colleges of Agriculture and Renewable Resources) institutions which are responsible for the education of about 40% of the undergraduates in agriculture and the related sciences. The House bill contains language for such a program; the Senate bill does not.

It is now up to the House-Senate conferees to wrestle with the differences between the two bills. We believe there is significant support for the positions taken in the House version on IFAFS and AASCARR. We also believe there is significant support for the positions taken in the Senate version on IFAFS and on the higher indirect cost return rate. However, despite these positive indications, we also know that it is exceedingly important for our representatives and senators to hear directly from us on these matters.

Therefore, Peter and Ian Maw will be reaching out to those of you with Members of Congress on the Farm Bill Conference Committee to ask you to personally contact those key Representatives and Senators with the important messages outlined above. Important talking points have been developed for these issues, and these are attached for your information and use.

I hope you will join me and respond to this and Peter's request as quickly as possible.

Sincerely,



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Please telephone your senators and representatives. Ask them to contact the joint House-Senate conference committee members who will soon meet to reconcile the two versions of the Farm Bill (see www.create-21.org/conferrees.doc) urging the conferees to support the NASULGC positions as outlined below:

1. Initiative for Future Agriculture and Food Systems (IFAFS)

- IFAFS was enacted in 1998 to provide funding for competitive grants to support critical food and agriculture science priorities. IFAFS projects integrate research with extension and/or teaching.
- IFAFS provided \$240 million in mandatory funding (not subject to annual appropriations) in fiscal years 2000 and 2001 through USDA's Cooperative State Research, Education, and Extension Service (CSREES).
- Under current law, \$200 million per year in IFAFS funding is scheduled to resume in fiscal years 2010, 2011, and 2012. And, Title VII of the House-passed Farm Bill includes the \$600 million in IFAFS monies.
- However, the Senate Farm Bill would divert \$555 million of the \$600 million to other priorities.
- When the conference committee meets, NASULGC wants the Senate members of the conference to embrace the House IFAFS provisions. (In technical terms, we want the Senate to "recede" to the House.)
- Our university and stakeholders would benefit greatly from a restoration of the IFAFS program, which effectively *doubles* the dollar amount of competitively awarded grants that could be made available through CSREES on an annual basis.
- **Explain how such an increase would benefit your institution.**

2. Cap on Indirect Costs

- CSREES operates under a cap on indirect cost recovery. In the current fiscal year, F.Y. 2008, the indirect cost recovery rate is capped at 20%.
- The Senate Farm Bill increases the cap to 30%. The House Farm Bill maintains the current statutory cap of 19%. Both rates would apply for the five-year duration of the Farm Bill.
- NASULGC supports the Senate position. (We want the House to "recede" to the Senate on this item.)
- Indirect costs represent the expenses of doing business that are not readily identified with a particular grant or contract, but are necessary costs for the general operation of the organization, such as heat, light, accounting, and personnel.
- The provision only authorizes the new rate, funds must be found within the appropriations process to realize the 30% rate.
- NASULGC favors the traditional method of setting indirect cost recovery rates on an individual university-by-university basis in negotiation with the federal agency.

- However, we support the Senate position as it represents an improvement from current law. The House position, on the other hand, merely maintains the status quo, thereby making CSREES research grants less desirable to university and other researcher scientists than funds from other sources.

3. Capacity Building Program at AASCARR Institutions.

- The American Association of Colleges of Agriculture and Renewable Resources (AASCARR) represents non-land-grant universities that provide higher education to students in agriculture and natural resources. The AASCARR institutions educate approximately 40% of undergraduates in these disciplines.
- The House version of the Farm Bill creates a new capacity building program for the AASCARR institutions. NASULGC strongly supports this new program because of the overwhelming need to provide additional educational resources in the agriculture and natural resource sciences.
- The Senate Farm Bill does not include the AASCARR capacity building program. NASULGC urges the Senate conferees to recede to the House on this item.