

VSA/TIG UPDATE



July 26, 2004

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Appropriations Request: Last year Space Grant received the following language in the FY 2004 VA-HUD and Independent Agencies Bill. "The Committee has included \$25,325,000 for the National Space Grant College and Fellowship program. This amount is an increase of \$1,225,000 to the fiscal year 2003 pre-scission appropriation of \$24,100,000 and an increase of \$6,225,000 to the budget request. The amount provided will fund the current core programs in 52 Space Grant Consortia, including 35 states at \$475,000 each (including 7 upgrades), 17 states at \$300,000 each and \$3,600,000 for Workforce Supplement Awards.

The National Space Grant Alliance requested \$30 million for FY 2005 and the following language: \$23 million for 40 states, which would support \$575K Space Grant awards in 35 states and upgrade 5 states to the \$575K level; \$4.2 million for 12 states which increases Space Grant award from \$300K to \$350K for those states; \$1.8 million for Extension Awards; and \$1 million for NASA program administration. (NOTE: workforce supplements are being consolidated into base funding under this request.)

After several meetings with staff on both the House and Senate side, we were asked to come back with a lower request for Space Grant.

After consulting with the Board, the following language was requested for FY 2005. Our new FY05 request is \$28.2 million. We have asked the Committee to provide the following language: The Committee has included \$28.2 million which will provide for 40 states to be funded at \$575,000 and 12 states to be funded at \$350,000 as well as \$1 million contribution to Administrative expenses.

The House: The FY 2005 VA-HUD-Independent Agencies Appropriations Bill funds Space Grant at \$28.2 million. The House VA-HUD-Independent Agencies subcommittee markup was Tuesday, July 20. Full Committee markup was Thursday, July 22. Space Grant received the following language in the FY05 House VA-HUD-Independent Agencies Appropriations Bill: "The Committee has included \$28,200,000 for the National Space Grant College and Fellowship Program. This amount is an increase of \$9,100,000 of the fiscal year 2005 budget request. The amount provided will fund 40 states at \$575,000 each and 12 states at \$350,000 each, as well as \$1,000,000 for administrative expenses."



Thank you for contacting your members on the House VA-HUD-Independent Agencies Subcommittee. This is a huge accomplishment as many programs in NASA were cut in this bill this year to fund Veterans programs.

The Senate: The Senate was not able to pass a Budget Resolution which would allow points of order to block spending increases on the appropriations bill. Senator Stevens tried to get Senators to agree on time limits on these bills and agree that no spending amendments would be added to the appropriations bill on the Floor unless there were offsets.

Senator Stevens was not able to obtain this agreement and thus cancelled all subcommittee markups including the VA-HUD and Independent Agencies Bill.

Senator Frist hopes to still move the appropriations bills but it will be difficult. The most likely outcome will be to roll all of the FY05 Appropriations Bill into a spending bill that is in conference or into a continuing resolution. There is still the possibility that the Senate will markup the VA-HUD-Independent Agencies Appropriations Bill for FY05 in September. We will keep you posted.

NASA Authorization: VSA has spoken to several staff members on the House/Senate Authorizing Committees. The general consensus is there will probably not be a NASA reauthorization bill this year, due to only about 31 legislative days being left and the partisan nature of floor efforts. If an authorization bill were to move forward, staff have asked Space Grant to provide authorization numbers for the bill. Staff are reluctant at this time to consider any language to go with the numbers for Space Grant should they move a bill, since any effort to revise any existing law seems to become mired in controversy.

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NASA Authorization

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15-Year Review Results and NASA's Plans: The results of the review are as follows: (1) 5 states are to be re-competed; and (2) 14 states are placed on probation and 33 states passed. With regard to re-competition, states will get fully funded through their current budget year, which for most ends in February and March 2005. NASA's goal is to have no discontinuity in funding for any states.

- Re-competing states will submit new proposals in Fall 2004. New awards will be released in the Spring 2005. It is expected that states will remain at the same funding level as under the prior management team. One issue of importance to re-competing states is that if the state comes in with a new plan for management and it's not acceptable then there will be discontinuity in funding. NASA will work with the state, but there may be some months with no funding.
- Probation States have another four weeks to get their improvement plans to NASA addressing the issues raised in the review. If there are two different reasons for probation, states need to submit two improvement plans (i.e. administration probation, network, affiliate participation probation, or another reason). Probation states will be reviewed again at the end of one year and if still not improved, they will have to re-compete.
- Passing states: The "top 12" states were designated "exemplary".

NASA's Plans for FY 2004 Space Grant Appropriations: NASA will follow the congressional Appropriations language (See Congressional Overview). RPFs for upgrades will go out in July, 2004 as well as requests for mini proposals and budgets from states to be increased to \$300 K. All of the funding will be obligated for Space Grant except 6% of the program "plus-up", which amounts to about \$300 K.

Full-Cost Accounting— What it means and its impact: Full cost accounting is a mechanism where by the administrative costs of running a program are distributed to the program. The program is asked to include these costs in their program budget request for each FY. This was done at NASA to reduce the administrative cost line item in the NASA Budget request for FY 05. The administrative costs for Education totaled around 15% of the budget (6% corporate G&A and 9% Code N administrative taxes). This translated initially to a \$3 million shortfall for Space Grant for FY04 and beyond. Through creative management by the Higher Education Division, this has been reduced to around \$300 K in FY04 and to an estimated \$1.2-\$1.5 million in FY05 and beyond (6% of the total appropriated amount) for Congressionally sensitive programs like Space Grant, EPSCoR, and Scholarships for Service as well as a number of others. Some other programs will be cut or delayed. For example, Faculty Fellowships will not hold a competition in FY05. S&T Scholarships (Scholarships for Service) will be awarded in FY05. NASA is planning to contract out the management of this program.

NASA's Reorganization— Impact on "Code N": "Codes" and "Enterprises" are gone. Education is a functional office, *Office of Education*. The internal structure will be exactly the same. Dr. Adena Loston is the *Chief Education Officer* and reports directly to the Administrator. Code S (Science) and Code Y (Earth Science) are combined into a new *Science Mission Directorate* (one of four new directorates). Ed Weiler will move to be *Director of Goddard* and Al Diaz, current Director of Goddard, will become the *Director of Science, Aeronautics*, (formerly Code R) and *Space Flight* (formerly Code M) will remain intact Directorates. *Exploration Systems* (formerly Code T) will remain and will include *Biological and Physical Research* (formerly Code U) Directorates. Other "Codes" like Public/External Affairs have all been combined into the *Office of Strategic Communications* and other offices. *Mission Support* will encompass most of the old "Codes". Mary Kicza has been named *Associate Deputy Administrator for Systems Integration*, a new position responsible for coordinating activities of the four Directorates. "Code N" personnel and the internal structure of the Office will remain the same.

Aldridge Commission Report— Opportunities for Space Grant: Section 8.1 of the Report recommends producing an action plan that suggests three main priorities for NASA Education:

1. Pre-service teacher training
2. Partnering with universities, corporations, and other agencies
3. University-based virtual space academy

Shortly, NASA will be putting out Requests for Information (RFIs) asking the community to give their opinion on the recommendations of the Report. There are considerable opportunities for Space Grant. The Report de-emphasizes Centers and places a priority on increasing university-based programs. The Student Satellite program aligns directly with the Virtual Space Academy concept. Space Grant is already doing what the Report recommends, but we need to launch an aggressive letter writing campaign in response to the RFIs in order to demonstrate our value. We can have a major impact on the Report and future funding strategies that place Space Grant in a very positive position. Another important recommendation in the Report suggests that NASA operate more like the NSF through partnerships, collaborations, and adaptable and flexible programming. This again opens new opportunities for Space Grant to evolve and grow. Additionally, Space Grant should provide information on what we are doing for the pre-service teacher preparation.

End Points: Great job by all of the Directors in generating the congressional understanding and support for the important work being done by Space Grant across the nation. An extra special thanks to Bill Hiscock, Chair of the Executive Council for his work within the agency and to John Gregory, Chair of the Alliance for his work with the Congress. Congratulations and welcome to Dr. Gregory as the newly elected Chair, National Council of Space Grant Directors and Dr. Brent Bowen, the newly elected Chair of the NSGA.