

Summary

Congress has received President Obama's budget request for FY2013, which includes \$140.820 billion for research and development (R&D), a \$1.951 billion (1.4%) increase from the FY2012 estimated funding level of \$138.869 billion. The request represents the President's R&D priorities; Congress may opt to agree with part or all of the request, or may express different priorities through the appropriations process. In particular, Congress will play a central role in determining the extent to which the federal R&D investment can grow in the context of increased pressure on discretionary spending and how available funding will be prioritized and allocated. Low or negative growth in the overall R&D investment may require movement of resources across disciplines, programs, or agencies to address priorities.

Funding for R&D is highly concentrated in a few departments. Under President Obama's FY2013 budget request, seven federal agencies would receive 95.8% of total federal R&D funding, with the Department of Defense (50.6%) and the Department of Health and Human Services (22.3%, primarily for the National Institutes of Health) accounting for nearly three-fourths of all R&D funding.

Among the largest changes proposed in the President's request, the R&D budget of the Department of Defense would fall by \$1.535 billion (-2.1%), while R&D funding for the Department of Commerce's National Institute of Standards and Technology (NIST) would increase by \$1.329 billion. The NIST growth is fueled by increases in funding for its core research laboratories and by the establishment of two new initiatives: \$1 billion for the National Network for Manufacturing Innovation, which seeks to promote the development of manufacturing technologies with broad applications, and \$300 million for a Wireless Innovation (WIN) Fund to help develop cutting-edge technologies for public safety users.

President Obama has requested increases in the R&D budgets of NIST, the National Science Foundation, and the Department of Energy's Office of Science that were targeted for doubling over 7 years, from their FY2006 levels, by the America COMPETES Act, and over 10 years by the America COMPETES Reauthorization Act of 2010. The funding requested for FY2013 is consistent with a doubling timeframe of 17 years, much longer than authorized by either act.

The President's budget request continues support for three multi-agency R&D initiatives in FY2013, proposing \$1.766 billion for the National Nanotechnology Initiative, an increase of \$70 million (4.1%) over FY2012; \$3.807 billion for the Networking and Information Technology Research and Development program, an increase of \$69 million (1.8%); and \$2.633 billion for the U.S. Global Change Research Program, an increase of \$136 million (5.6%).

In recent years, Congress has used a variety of mechanisms to complete the annual appropriations process after the start of the fiscal year. This may affect agencies' execution of their R&D budgets, including delaying or canceling some planned R&D and equipment acquisition.