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# Research and Development Budget for FY 2011: Investing in Innovation Today to Meet the Challenges of Tomorrow

*Strong Commitments to Science and Technology Promise New Industries and Jobs, Cleaner Energy, a Healthier America, Enhanced Security.*

The Obama Administration's FY 2011 Budget calls for a $66 billion investment in nondefense research and development (R&D)—an increase of $3.7 billion or 5.9 percent above the FY 2010 enacted level—reflecting the Administration's firm belief that investment in science, technology, and innovation is the key to building the American economy of the future.

The 2011 Budget calls for strategic R&D investments to create quality jobs in 21st century industries; explore the beckoning scientific frontiers on Earth and in space; and enhance the health and quality of life for all Americans. It boosts support for biomedical research so scientists can take advantage of exciting discoveries in such areas as genomics and regenerative medicine. It provides the foundation for a new generation of advanced materials and manufacturing methods. It includes a bold and ambitious new space initiative that invests in American ingenuity to propel us on a new journey of innovation and discovery. And it supports development of renewable energy and energy-efficiency tools such as next-generation batteries; solar, biomass, geothermal, and wind power; carbon-capture and storage technologies; and programs to advance nuclear technologies and improve their market competitiveness.

The President's 2011 Budget also sustains the Defense Department's commitment to basic research with a $2.0 billion investment. At the same time, recognizing the need for fiscal restraint, the 2011 Budget reduces Defense Department R&D overall by $3.5 billion, to $77.5 billion, primarily through targeted spending cuts on lower-priority weapons-development programs and congressional projects.

Combining defense and nondefense investments, the Budget provides $61.6 billion for basic and applied research—up $3.3 billion or 5.6 percent compared to the 2010 Budget as enacted. And it provides $81.5 billion in development funding, a decline compared to the 2010 enacted level. All told, the Nation's 2011 R&D budget totals $147.7 billion—a fiscally responsible increase of $343 million or 0.2 percent above the 2010 level as enacted.

"The President understands that more than ever before, science holds the key to the prosperity of our nation, the security of our people, the health of our planet, and the richness of our lives," said Dr. John P. Holdren, Assistant to the President for Science and Technology and Director of the White House Office of Science and Technology Policy. "His new budget makes clear that he is serious about fueling American innovation to strengthen our economy and address the grand challenges of the 21st century."

Specifically, to ensure that America retains its global status as a science and technology powerhouse, which for decades has been at the core of the Nation's economic strength, the President's Budget:

- maintains, as promised, a path to double the budgets of three key science agencies—the National Science Foundation (NSF), the Department of Energy's Office of Science, and the National Institute of Standards and Technology (NIST) laboratories—by providing them a combined $13.3 billion, an increase of $824 million or 6.6 percent above the 2010 enacted total;

- provides $11 billion to the R&D portfolio of the National Aeronautics and Space Administration (NASA)—an increase of $1.7 billion or 18.3 percent above 2010 as enacted—in part to spur the creation of game-changing technologies that will propel the Nation into a bold new era of space exploration;

- provides $32.1 billion to the National Institutes of Health—an increase of $1 billion or 3.2 percent above 2010 as enacted—to discover and develop the medical breakthroughs that will help all Americans live longer and healthier lives;

- provides almost $1 billion to the R&D budget of the National Oceanic and Atmospheric Administration—a substantial increase over 2010—and also calls for $2.6 billion—an increase of $439 million or 21 percent—to the multi-agency U.S. Global Change Research Program (USGCRP), affirming the Administration's commitment to understanding the risks posed by climate change and developing appropriate strategies to mitigate and adapt to those risks;

- provides $1 billion—a $300 million increase—to K-12 science, technology, engineering and math (STEM) education programs throughout the federal government, reflecting the President's commitment to raising American students from the middle to the top of the pack in these subjects;

- provides other targeted increases in R&D that will lay the foundation for the industries and jobs of the future, such as cyber-learning, nano-manufacturing, clean energy, and the next revolution in computing "beyond Moore's Law."

- and makes the Federal research and experimentation tax credit permanent, giving America's innovators and entrepreneurs the year-to-year economic stability they need as they dedicate resources to building the economy of tomorrow.

"Even after adjusting for the expected inflation of 1.1 percent in the coming year, these focused increases in science and technology R&D promise to accelerate America's economic advancement and assure America's position as a global leader well into the future," Holdren said.

Other highlights of the President's 2011 R&D budget include:

- $300 million for the Department of Energy's new Advanced Research Projects Agency – Energy (ARPA-E) and $5.1 billion (up 4.6 percent) for its Office of Science;
- $7.4 billion (up 8 percent) for NSF overall;
- $709 million (up 6.9 percent) for NIST's laboratories;
- $3.1 billion (up 3.7 percent) for the Defense Advanced Research Projects Agency (DARPA);
- $1.2 billion (up 1.5 percent) for Department of Veterans Affairs R&D;
- $679 million (up 2.9 percent) for the Interior Department's U.S. Geological Survey (USGS);
- $651 million (up 4.7 percent) for Environmental Protection Agency R&D;
- $429 million (up 63 percent) for the National Institute of Food and Agriculture's key competitive research program, the Agriculture Food and Research Initiative;
- $383 million (up 10.1 percent) for Department of Education R&D;
- $236 million (up 13.5 percent) for Smithsonian Institution R&D;
- and ongoing funding to triple the number of NSF Graduate Research Fellowships to 3,000 by 2013.

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