

Research Advocacy and Strategy in the Trump Era

What's at Stake for Research in the Midterm Elections



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University Research Forum

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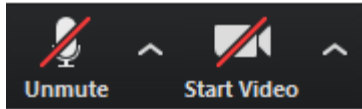
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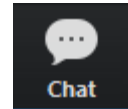
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Agenda for Our Webinar Today

- 1 What are the midterms and who is up for election?
 - 2 What's happened in research policy since Trump took office?
 - 3 What issues will the next session of Congress take on?
 - 4 What do we expect to happen in the midterms and how will that influence fundamental research policy and initiatives?
-

Congress: Who Is Up for (Re)Election?

Election Day Is Tuesday, November 6th 2018

What's a "Midterm" Election?

A midterm election in the US does not include a vote for the Presidency but instead occurs roughly halfway through the current President's term.

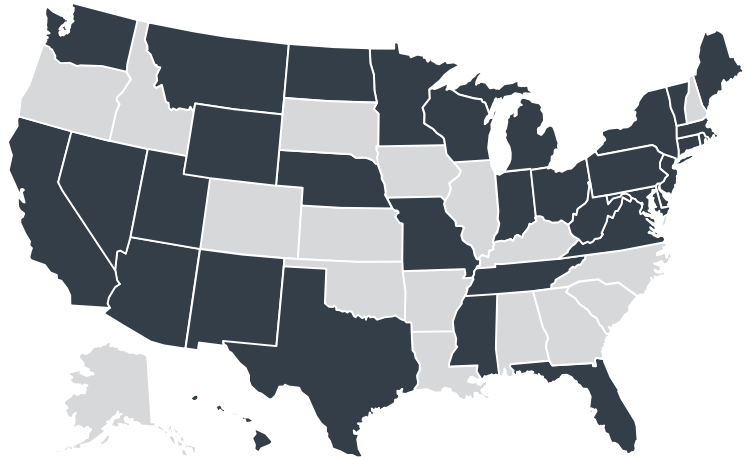
House of Representatives

Open seats: 435 / 435



Senate

Open seats: 35 / 100



Source: Senate map adapted from
<https://www.270towin.com/2018-senate-election/>

How Does Congress Impact Research?

Primarily Through Approving Spending and Enacting Social Policy



Fiscal Responsibilities

- **Funding Federal Agencies**
Both chambers propose budgets for the federal agencies and jointly reconcile their differences before sending to the President for approval.
- **Determining Tax Policy for Companies and Philanthropic Groups**
Congress can adjust tax laws to incentivize certain behaviors, such as making gifts tax-free and lowering taxes on R&D spending.



Non-Fiscal Responsibilities

- **Crafting Immigration Laws**
Such laws directly impact recruitment of foreign students into graduate programs and lab assistantships.
- **Enacting Education Rules that Impact Student Funding/Borrowing**
For research, such rules can affect graduate and doctoral student stipends.
- **Approving Nominees to Science Posts**
Most leadership roles in the federal agencies and in the White House require Senate approval.

Fiscal Responsibilities Have the Biggest Impact

Especially in Funding Federal Agencies and Determining Tax Policy



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One Thing Congress Doesn't Do: Set Priorities

Trump Administration's R&D Budget Priorities for FY2020

R&D Priority Areas



Eight Priority Areas, Three Common Themes

- More of the same as compared to previous administrations' priorities
- Bend toward advancing technology for industry and commercialization
- Increasing specificity in areas of cross-agency collaborations

Proposed Cuts Rebuffed by Congress

Congress Continuing Its Own Course on Agency Spending

Estimates of Congressional Action on FY2018 R&D Budgets by Agency (% change from 2017)

Estimates of FY2018 R&D Budgets by Agency	White House vs FY2017	House vs FY2017	Senate vs FY2017	Omnibus vs FY2017
DoD ¹ Science and Technology	↓ -5.4%	↓ -1.3%	↓ -0.08%	↑ 6.2%
National Institutes of Health (NIH)	↓ -23.5%	↑ 3.1%	↑ 5.8%	↑ 8.6%
Department of Energy, Office of Science	↓ -17.1%	↑ 0.02%	↑ 2.9%	↑ 16.1%
Department of Energy, Energy Programs	↓ -51.7%	↓ -20.5%	↑ 6.4%	↑ 19.8%
National Science Foundation (NSF)	↓ -11.3%	↓ -2.4%	↓ -2.7%	↑ 3.8%
NOAA ²	↓ -16.5%	↓ -2.7%	↑ 8.3%	↑ 23.0%
NIST ³	↓ -15.8%	↓ -3.2%	↑ 4.3%	↑ 36.2%
Environmental Protection Agency	↓ -44.3%	↓ -10.6%	↓ -4.9%	↑ 4.3%

Support from Congress

Congress has so far largely ignored the White House's budget proposals, but increases in discretionary spending raise concerns about a fiscal cliff around 2020-2021.



1) Department of Defense (DoD)
 2) National Oceanic and Atmospheric Administration (NOAA)
 3) National Institute of Standards and Technology (NIST)

Fiscal Slope Looks More Likely than Fiscal Cliff

Taking a Closer Look at the CBO's Fiscal Outlook for FY2028

The growing federal deficit...

\$2T

Federal deficit predicted to reach as high as \$2 trillion in 2028

...and rising mandatory spending and doubling of net interest payments...

15.2%

Mandatory spending as percentage of GDP in 2028 (an increase from 12.8% in FY2018)

3.1%

Net interest payments as percentage of GDP in 2028 (an increase from 1.6% in FY2018)

...contribute to a decline in discretionary spending.

5.4%

Defense and nondefense discretionary funding as percentage of GDP in 2028 (a decline from 6.4% in FY2018)

Implications for Research Enterprise

An Unlikely Scenario

- ✗ "Fiscal cliff" due to scheduled reductions in spending caps
- ✗ Discretionary spending (and thus, R&D) decreases by more than \$10B
- ✗ R&D grows 2.6% per year, but inflation erases gains
- ✗ R&D budget in FY2028 ends up \$11B lower than FY2018

A More Likely Scenario

- ✓ Disruptive negotiations but Congress prevents a large drop in FY2020
- ✓ R&D growth slows to an average of 2.5% per year, with inflation negating most of this growth
- ✓ Total R&D (in constant dollars) increases 3.7% by FY2028
- ✓ R&D decreases from 0.71% GDP (FY2018) to 0.61% GDP (FY2028)

Sources: AAAS, [Does the Long-Term Fiscal Picture Mean Trouble for Science and Innovation?](#); CBO, [The Budget Outlook for 2018 to 2028 in 11 Slides](#); Business Insider, [BERNANKE: Trump's tax cuts are like 'Wile E. Coyote' and the economy's boost will fall off the cliff in 2020](#).

Taxes Can Be Incentives and Deterrents

And the Party in Power Selects What to Incentivize (and Disincentivize)



Tax Credits for R&D Investments

Research universities benefit when companies spend money on R&D (so long as they spend it in the United States).



Tax Deductions for Charitable Gifts

Universities benefit when individuals and companies provide gifts, whether specifically to research or to institutional general funds.



Tax Cuts and Jobs Act of 2017

- Excise tax on investment income
- Increase in standard deduction likely to reduce charitable giving
- May increase corporate sponsored research in place of charitable gifts

What Does Congress Do that Impacts Research?

For Starters they Fund Federal Agencies and Enact Regulations



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Cracks in the International Pipeline

Immigration Policies Threaten Access to International Students, Scholars



Most Recent Change to Immigration Policy and Practice

- **Limit length of validity to one year for visas** issued to Chinese graduate students studying in fields like robotics, aviation, and high-tech manufacturing
- **Require special clearance** from U.S. agencies for Chinese graduate students working as researchers or managers for select companies identified by the U.S. Commerce Department



Implications for Institutions and the Research Enterprise

- **General uncertainty** due to ambiguity of formal policy and actual implementation practices
- **Delayed enrollments** as a result of anticipated processing delays
- **Reduced pipeline of international students** due to decreased interest in U.S. higher education
- **Loss of access** to talented students and scholars

INTERNATIONAL STUDENT IMPACT ▶

1M+

International students attending U.S. colleges and universities during FY16-17

\$37B

Contribution of international students to the U.S. economy in FY16-17

4.5%

Percent increase in U.S. patent applications for every 10% increase in international graduate students

39%

Percent of Nobel Prize winners from U.S. that have been immigrants (since 2000)

Power to Approve Nominations and Dictate Rules



Nominations are a Senate Function, Whereas HEA requires Both Chambers

Nominations



Dr. Kelvin Droegemeier
Vice President for Research, University of Oklahoma
OSTP¹ Director Nominee

Other Federal Science Posts:

- All other OSTP leadership roles (*vacant*)
- State Department's Science and Technology Adviser (*vacant*)
- Department of Agriculture's Chief Science Advisor (*vacant*)
- National Oceanic and Atmospheric Administration's Climate Science Advisory Committee (*disbanded*)
- Food and Drug Administration's Food Advisory Committee (*disbanded*)

Higher Education Act (HEA)



Some stipulations regarding stipends and grants for graduate and doctoral students



Changes to borrowing and debt repayment could slow enrollment at private, tuition-dependent institutions



Continuous commitments to reduce regulatory burden on universities, with few specifics



Low likelihood of passing in current form (PROSPER Act) until after midterm elections

1) Office of Science and Technology Policy

Policy Decisions and Election Scenarios

What Are the Major Issues on the Table for the Next Session of Congress?

Fiscal Policy Decisions



Funding Agencies

- Will the next session of Congress support funding for research?
- How will they balance increases with reducing the deficit?



Tax Policy

- Will the next session add to or roll back parts of the 2017 Tax Bill?

Non-Fiscal Policy Decisions



Immigration

- Will the next session reform immigration?
- Where will they prioritize restrictions?



HEA Reauthorization

- Will the next session approach HEA holistically or in segments?



Nominations

- Will nominations become a sticking point?



Republicans Retain Full Control

Republicans have a 85.5% chance of keeping the Senate and a 14.4% chance of keeping the House.



Democrats Take Full Control

Democrats have a 14.5% chance of taking the Senate and a 85.6% chance of taking the House.

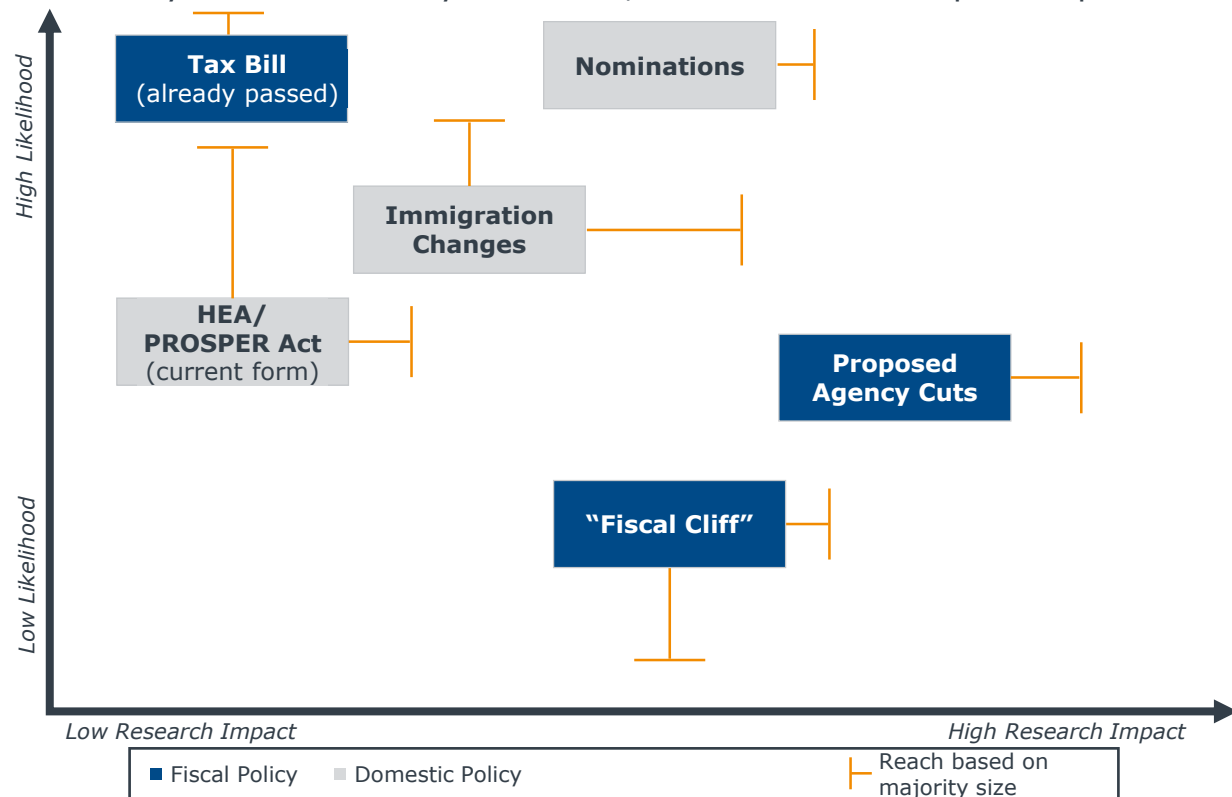


Mixed Control

The Democrats are most likely to control the House and the Republicans are most likely to control the Senate.

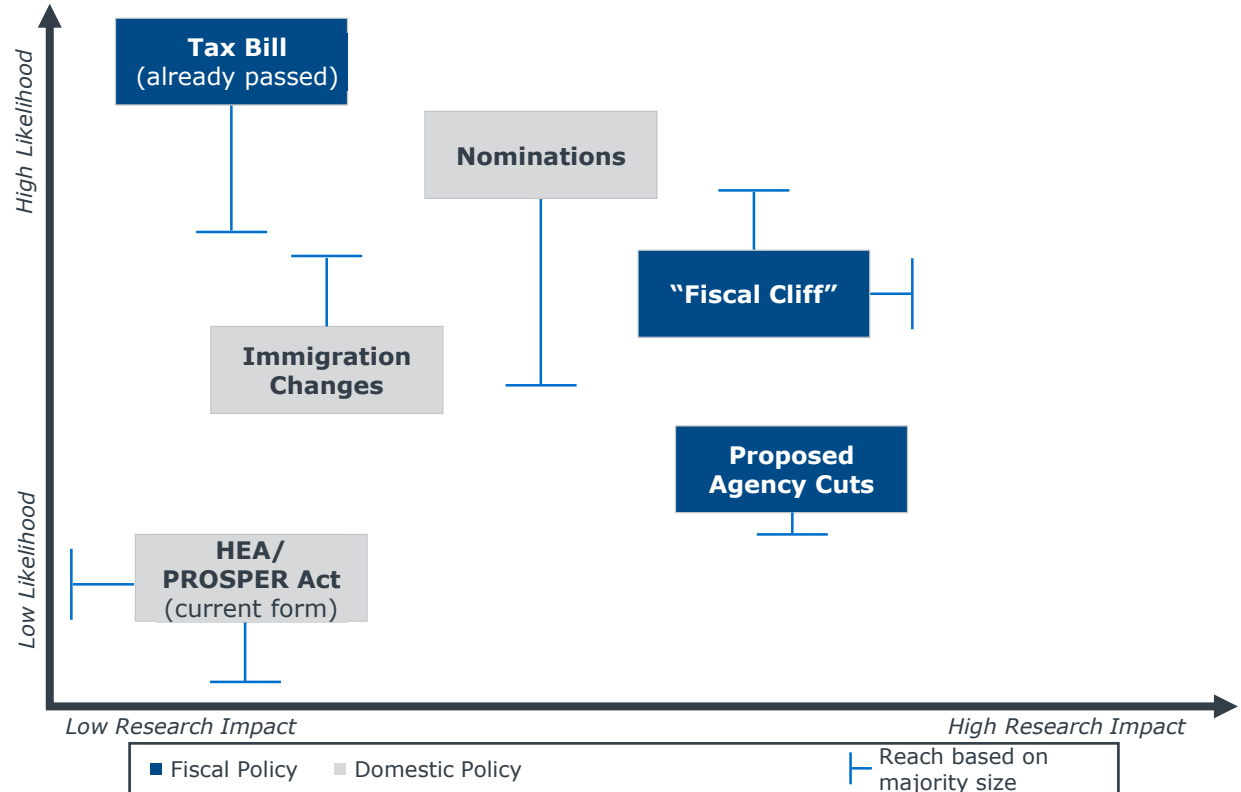
Scenario 1: Republicans Retain Full Control

How Likely Are These Policy Scenarios, and What is the Expect Impact



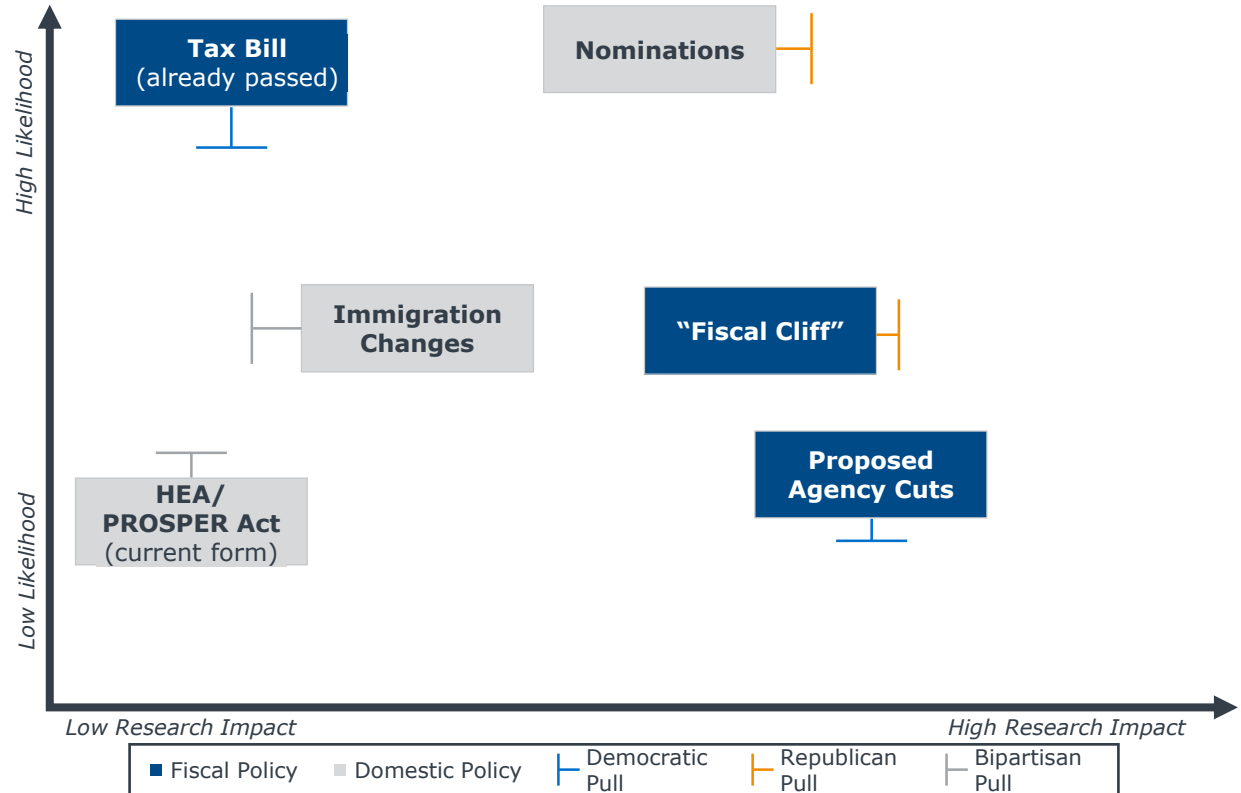
Scenario 2: Democrats Take Full Control

How Likely Are These Policy Scenarios, and What is the Expect Impact



Scenario 3: Democratic House, Republican Senate

How Likely Are These Policy Scenarios, and What is the Expect Impact



What We Can Do, Regardless of the Outcomes

Evergreen Action Steps for You and Your Campus Leadership



Defend Our Value to All Stakeholders

- Proactively engage legislators in conversations about research policy and support
- Encourage other campus leaders to weigh in when necessary
- Mobilize faculty to talk about their research (and its impact)
- Help the public connect research to outcomes

Advocacy



Chart the Path Forward (in Turbulent Times)

- Preserve research funding, both internal and external
- Double down on faculty support
- Create (re)action plans for different policy scenarios
- (Re)invest in strategic planning for research priorities and operations

Strategy



And One Last Thing...

VOTE!

Any Questions?



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Evaluating Today's Session



Please take a minute to provide your thoughts on today's presentation.

University Research Forum

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