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Innovation, Education, Infrastructure: The FY 2012 Science and Technology R&D Budget

***Strategic Increases Will Jumpstart Innovation, Support Students, Advance Infrastructure;
Tough Choices Made, Every Increase Offset by a Cut***

Recognizing that today's investments in research, development, and discovery will give rise to the jobs and industries of tomorrow, the Obama Administration's Fiscal year (FY) 2012 Budget calls for strategic increases in the Nation's science and technology enterprises even as it holds overall non-security discretionary spending flat for the second year in a row.

By simultaneously priming the pump of American ingenuity and imposing stern spending limits on lower-priority programs, the 2012 Budget puts the Nation on a path of continuing economic recovery and ensures that the next generation of scientists, engineers, and entrepreneurs will be in strong position to outpace competitors around the globe.

"This is a budget that our Nation can be proud of," said Dr. John P. Holdren, the President's science and technology advisor and Director of the White House Office of Science and Technology Policy. "It provides solid research and development investments to achieve game-changing advances in areas of crucial importance to America's future, including sustainable energy, information technology, advanced manufacturing, and science, technology, engineering, and mathematics education. At the same time it reflects the President's strong commitment to fiscal discipline by cutting programs that were not competitive with our highest priority needs."

For instance, research and development programs at the Department of Veterans Affairs have been cut by more than 12 percent from the 2010 enacted level. The Environmental Protection Agency (EPA) has seen its research-and-development funding cut by \$11 million.

The President's plan is a responsible approach that cuts wasteful spending and makes tough choices on some things we can't afford, while keeping the investments we need to grow the economy and create jobs.

All told, the President's 2012 Budget proposes \$147.9 billion for Federal research and development (R&D) to ensure that the Nation out-innovates, out-educates, and out-builds the rest of the world in the years ahead—an increase of \$772 million or 0.5 percent (all comparisons are to FY 2010 enacted, in current dollars). Within that total, the Budget substantially increases nondefense R&D to \$66.8 billion, up \$4.1 billion or 6.5 percent. And it calls for a Federal research portfolio (basic and applied) totaling \$66.1 billion, up \$6.9 billion or 11.6 percent.

The President's science and technology budget:

- **Maintains a doubling path** for three science agencies crucial to our Nation's future competitiveness—the National Science Foundation (NSF), the Department of Energy's (DOE) Office of Science, and the National Institute of Standards and Technology (NIST) laboratories, providing a total of \$13.9 billion, up \$1.5 billion or 12.2 percent.
- **Advances a clean-energy future** by supporting research into and development of clean energy sources, including \$550 million for DOE's Advanced Research Projects Agency-Energy (ARPA-E) and sufficient support to double the number of Energy Innovation Hubs from three to six to further catalyze synergies between industry and academia.
- **Educates our children** in science, technology, engineering, and math (STEM) so they can match the competition anywhere in the world, providing \$3.4 billion for STEM education including a \$100 million down payment on an initiative to prepare 100,000 new and highly effective STEM teachers over the next decade.
- **Invests in 21st century infrastructure** to keep people, goods, and information on the move and to provide the foundational capacities that foster the growth of new jobs and industries. In particular, the 2012 Budget proposes investments to deploy high-speed wireless Internet to reach at least 98 percent of Americans and enhanced use of spectrum.
- **Encourages private sector investment** by calling for an expanded, simplified, and permanent extension of the Research and Experimentation Tax Credit to provide certainty that the credit will be there for the duration of entrepreneurs' R&D investments.

The 2012 Budget also makes tough choices. The Administration's targeted investments in innovation, education, and infrastructure occur within an overall non-security discretionary budget that would be frozen at 2010 levels for the second year in a row and stay frozen through 2015. The Budget focuses resources on areas where the payoff for the American people is likely to be highest, while imposing hard-nosed fiscal discipline in areas lacking such promise. For example, the Budget proposes \$79.4 billion for development within the Federal R&D portfolio—a decline compared to 2010 that largely reflects cuts in defense weapons and supporting systems.

Other commitments in the President's 2012 Budget (compared to FY 2010 enacted) include:

- \$31.8 billion (up 2.4%) for the National Institutes of Health
- \$7.8 billion (up 13.0%) for NSF
- \$5.4 billion (up 10.7%) for DOE's Office of Science
- \$76.6 billion (down 4.9%) for the Department of Defense's R&D portfolio, including \$12.3 billion (down 7.2%) for early-stage science and technology programs
- \$764 million (up 15.1%) for NIST's intramural laboratories
- \$5.5 billion for the National Oceanic and Atmospheric Administration
- \$2.6 billion (up 20.3%) for the U.S. Global Change Research Program

Additional details can be found on fact sheets and other FY 2012 budget resources at <http://www.whitehouse.gov/ostp/rdbudgets>.

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