SPECIAL REPORT:
FY 2015 Department of Commerce And Small Business Administration Budgets and California Implications
March 2014

DEPARTMENT OF COMMERCE

Provides $11.2 billion in total budget authority, including $8.8 billion in base discretionary funding for the Department of Commerce, according to the Budget documents, to foster economic growth by promoting trade and investment, spurring innovation, gathering and acting on environmental intelligence, and fueling a data-driven economy.

Economic Development Assistance Programs

The budget requests $210,000,000 in discretionary budget authority for grants for economic development assistance and for trade adjustment assistance. Economic Development Administration (EDA) investments are focused in seven broad development assistance programs, which include: Economic Adjustment Assistance (EAA), Partnership Planning, Technical Assistance, Public Works, Regional Innovation Strategies Program (RISP), Research and Evaluation, and Trade Adjustment Assistance. EDA provides grants within each of these areas to generate or retain jobs, attract new industry and private sector investment, encourage business expansion, and serve as a backstop to sudden and severe economic impacts.

International Trade Administration (ITA)

The Administration proposes $497 million for the ITA. The funding is intended to allow ITA to increase its export promotion efforts in key, growing markets abroad, strengthen trade enforcement, and support the activities of SelectUSA, which helps attract investment capital to the United States that creates jobs.

To emphasize the agency's role in the complementary missions of export and business investment promotion, using both international advocacy and support for U.S. businesses at home, the Budget proposes to rename the agency to the International Trade and Investment Administration (ITIA).

National Oceanic and Atmospheric Administration (NOAA)

The Budget requests $3.238 billion for the operations, research, and facilities account of NOAA, compared to the $3.157 billion provided under the FY14. Of this, $492 million would fund the National Ocean Service, $837 million would fund the National Marine Fisheries Service, $927 million would
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Of the total budget request, $161 million is for the Industrial Technology Services (ITS) appropriation, which consists of three programs: the Hollings Manufacturing Extension Partnership (MEP), the Advanced Manufacturing Technology Consortia program (AMTech), and Manufacturing Innovation Institutes Coordination. The MEP is a Federal-State-industry partnership that provides U.S. manufacturers with access to technologies, resources, and industry experts, and the budget would fund it at $141 million, a $13 million increase over the FY 2014 enacted level.

As part of the Middle Class Tax Relief and Job Creation Act of 2012, NIST will receive $100 million to conduct public safety research and development as part of a Wireless Innovation (WIN) Fund. The WIN Fund will provide $100 million from spectrum auction proceeds to help industry and public safety organizations to advance public safety communications and build an interoperable nationwide broadband network for first responders.

**Pacific Coastal Salmon Recovery Fund** - Included in NOAA funding is $50 million for the Pacific Coastal Salmon Recovery Fund, which was established in 2000 to augment State, tribal, and local programs to conserve and restore sustainable Pacific salmon populations and their habitats. Through 2012, over $1 billion has been provided to the States of California, Oregon, Washington, Alaska, and Idaho and to the federally-recognized Pacific Coastal and Columbia River Tribes to supplement State and Federal programs and promote the development of partnerships among Federal, State, tribal, and local governments to conserve salmon.

**U. S. Patent and Trademark Office**

The 2014 Budget requests a program level of $3.441 billion for USPTO and full access for the agency to its fee collections; the Administration estimates that fees collected will offset the funds appropriated from the General Fund, so as to result in zero funds appropriated from the general fund in FY15.

According to the Budget documents, "USPTO will continue its aggressive patent pendency reduction agenda to reduce overall pendency and backlog; continue to enhance patent quality; ensure optimal information technology service delivery to all users; improve appeal and post-grant processes; and improve intellectual property protections worldwide."

**National Institute of Standards and Technology**

The budget request for FY14 is $680 million compared to $651 million provided in FY14 funding. Within the request, current Administration priority areas targeted for budget increases include Advanced Manufacturing, Cybersecurity, Healthcare IT, Disaster Resilience, Forensics, Advanced Communications, and NIST Centers of Excellence in measurement science and new technology areas, according to the Budget documents.
National Telecommunications and Information Administration (NTIA)

The budget requests $51 million compared to the $46 million provided in FY14. The National Telecommunications and Information Administration (NTIA) is the principal Executive Branch adviser on domestic and international telecommunications and Internet policy. NTIA manages the Federal Government's use of the radio frequency spectrum and performs extensive research in telecommunication sciences.

Broadband Technology Opportunities Program - The American Recovery and Reinvestment Act of 2009 provided over $4 billion to deploy broadband and promote adoption in underserved areas. NTIA will continue to provide oversight of active projects funded through these grants.

Public Safety Trust Fund - The Middle Class Tax Relief and Job Creation Act of 2012 authorizes the repurposing of spectrum from private license holders to wireless broadband through the use of voluntary incentive auctions. A portion of the proceeds from these incentive auctions and other auctions authorized in the Act will be deposited in the Public Safety Trust Fund. The Act directs that over $7 billion of these proceeds be used to support the establishment of a nationwide, interoperable public safety broadband network to support first responders and make other improvements to emergency communications. The Act also created the First Responder Network Authority (FirstNet) within NTIA to manage the communications network and allows NTIA to borrow over $2 billion prior to the auctions authorized by the Act to support the establishment of the network.

State and Local Implementation Fund - The Middle Class Tax Relief and Job Creations Act of 2012 provides $135 million for grants to state and localities to plan for the build-out of a nationwide broadband network for first responders. The grants will support State, regional, tribal, and local jurisdictions to identify, plan and implement the most efficient and effective options for utilizing and integrating infrastructure associated with the nationwide public safety broadband network. Proceeds from spectrum auctions through the Public Safety Trust Fund will reimburse these costs. As of February 2014, the FirstNet Board had not determined final obligation and outlay estimates.

SMALL BUSINESS ADMINISTRATION (SBA)

The Budget provides $710 million for the Small Business Administration, including more than $36 billion in loan guarantees to enable more than 55,000 loans to entrepreneurs to start up and expand small businesses and create jobs; the Administration reports that these levels will be sufficient to meet projected demand while operating at a lower subsidy cost than the FY14 enacted level, based on improving economic conditions and lower estimates of loan defaults.

The Budget will support $1.1 billion in direct disaster assistance loans, the normalized 10-year average. SBA’s Disaster Loans Program provides low-interest disaster loans for non-farm private sector losses, such as for homeowners, renters, and businesses of all sizes whose property is damaged or destroyed in a disaster.