



A New Foundation for the 21st Century *Technology Investments in the 2010 Budget*

In the face of unprecedented challenges, technological advances can provide a powerful engine for advancing economic growth and new opportunity. Harnessing the full power and potential of new technologies can improve the lives of all Americans. (Recovery Act investments are listed in a separate column in the Table; dollar and percentage changes are from 2009 enacted appropriations (excluding Recovery Act funds) to the 2010 Budget.) The 2010 Budget invests in key technologies, including:

Broadband technology – The Administration is investing heavily in broadband infrastructure by implementing the \$7.2 billion provided for this purpose in the Recovery Act to the Departments of Agriculture and Commerce (see Table). These investments will continue to be implemented in 2010. The 2010 Budget provides \$82 million for continuing USDA support of rural broadband, distance learning, and telemedicine services, an increase of \$23 million or 39 percent over the 2009 enacted level.

Health information technology (IT) – Building on the historic \$19 billion investment in the Recovery Act, the Administration will continue efforts to further the adoption and implementation of health IT as an essential tool to modernize the health care system. \$2 billion in Recovery Act investments will continue to be implemented in 2010, while the remaining \$17 billion will be available as temporary incentive payments starting in 2011 to physicians and hospitals participating in Medicare for using certified electronic health records.

Education technology – Supporting cutting-edge educational technology, modernizing science laboratories, and forging partnerships to improve the use of science and technology in classrooms are key priorities throughout federal investments in education. \$650 million in Recovery Act investments for Education Technology State Grants (ED-TECH) will continue to be implemented through the 2010-2011 school year, and the 2010 Budget provides an additional \$100 million. Other Department of Education programs, including Title I Grants and Teacher Quality State Grants, also provide support for education technology.

Clean energy technology – In no area will innovation be more important than in the development of new technologies to produce, use, and save energy. The 2010 Budget sustains the Administration's commitment to developing a 21st century clean energy economy. In addition to energy research and development (R&D) investments, the 2010 Budget provides \$3.1 billion for clean energy technologies, including deployment, demonstration, and commercialization assistance activities, to build on \$31 billion in Recovery Act funding.

Federal information technology (IT) – Greater transparency, accountability, and public participation are central to the President's Open Government agenda. New technology has the potential to drive innovation in government. The 2010 Budget reflects the growing responsibilities for federal IT management with \$75.8 billion for total federal IT spending, \$5.1 billion or 7.2 percent more than the 2009 enacted level. New directions for federal IT in 2009, as well as allocations of Recovery Act investments, mean that federal IT spending estimates for 2009 and 2010 will likely change as plans are made to address the Administration's goal of greater openness in government, wider participation by citizens in government, and a more collaborative, cost-effective federal IT enterprise.

Next-Generation Manufacturing Technologies – The 2010 Budget provides significant funding for programs at the National Institute of Standards and Technology (NIST) that will foster innovation in manufacturing, including \$125 million for the Hollings Manufacturing Extension Partnership (MEP), an increase of \$15 million over the 2009 enacted level as part of the President's plan to double MEP funding between 2008 and 2015. The 2010 budget also provides \$70 million for the Technology Innovation Program (TIP). While its initiatives are not solely directed at the manufacturing sector, the Economic Development Administration (EDA) will be spending at least \$50 million to promote regional innovation clusters and \$50 million to support business incubator networks. The 2010 Budget also funds research that benefits manufacturing in the NIST laboratories, and the Recovery Act provides \$2 billion for grants to support manufacturing of advanced batteries.

Table. FY 2010 Budget Technology Programs

Table. 2010 Budget for Selected Technology Programs
(budget authority in millions of dollars)

Technology Area	FY 2009		FY 2009		Change '09 to '10**	
Department/ Agency - Program	FY 2008	FY 2009	ARRA*	FY 2010	Amount	Percent
Broadband Technology:						
Dept. of Commerce Nat'l Telecomm. and Info. Admin.						
- Broadband Technology Opportunities Program	0	0	4,700	0	0	--
U.S. Dept. of Agriculture Rural Utilities Service						
- Distance Learning, Telemedicine, and Broadband	53	59	2,500	82	23	39.0%
TOTAL Broadband	53	59	7,200	82	23	39.0%
Health Information Technology:						
Dept. of HHS Office of the Secretary						
- Office of National Coordinator for Health IT	61	61	2,000	61	0	0.2%
TOTAL Health IT 1/	61	61	2,000	61	0	0.2%
Education Technology:						
Dept. of Education School Improvement Programs						
- Enhancing Edu. Through Tech. State Prog. (ED-TECH)	267	270	650	100	-170	-62.9%
TOTAL Education Technology	267	270	650	100	-170	-62.9%
Clean Energy Technology:						
Dept. of Defense						
- Near Term Energy Efficiency Tech. Demos. And Res.	0	0	300	0	0	--
Dept. of Energy						
- Energy Efficiency & Renewable Energy 2/	1,704	2,179	14,800	2,319	140	6.4%
- Advanced Battery Manufacturing Grants	0	0	2,000	0	0	--
- Fossil Energy R&D 2/	727	876	3,400	618	-259	-29.5%
- Elec. Delivery and Energy Reliability 2/	136	137	4,500	208	71	51.8%
- Innovative Tech. Loan Guarantee Program 3/	4	0	5,990	0	0	--
TOTAL Clean Energy Technology	2,572	3,192	30,990	3,145	-48	-1.5%
Federal Information Technology Spending (Gov't Wide)	66,405	70,716	4/	75,829	5,113	7.2%
Next-Generation Manufacturing Technologies:						
Dept. of Commerce						
- Manufacturing Extension Partnership (NIST)	90	110	0	125	15	13.4%
- Technology Innovation Program (NIST) 2/	46	60	0	70	10	16.5%
- Regional Innovation Cluster and Business Incubator 5/	0	0	0	100	100	--
TOTAL Manufacturing Technologies 6/	136	170	0	295	125	73.3%

* American Recovery and Reinvestment Act (Public Law 111-5); funds will be spent over multiple years.

** Excludes Recovery Act appropriations. Change is regular FY 2009 appropriations to FY 2010 request.

1/ Health IT ARRA funding excludes an estimated \$17 billion in incentives and investments through mandatory programs (Medicare and Medicaid) beginning in 2011.

2/ Includes some R&D funding. EERE includes Federal Energy Assistance spending.

3/ Appropriated funds only. The program leverages appropriated funds by up to 10 times in loans.

4/ Recovery Act allocations are not available at this time.

5/ Allocation within Commerce EDA programs, roughly half for innovation clusters and half for business incubators.

For the past several years, EDA support of incubators has been approximately \$10-\$25 million a year.

6/ R&D spending in the NIST laboratories and other R&D agencies also contribute to manufacturing technologies.