CONGRESSIONAL SCHEDULE  NEW

The House did not meet today; the Senate met but took no roll call votes.

When the Senate returns on Monday, June 21, it will consider nominations. Sometime next week, the chamber may resume consideration of some form of the bill to extend unemployment and tax benefits (see item below). CongressDaily reports that if the Senate is able to approve the extenders bill, Senate leaders may then turn to a long-stalled FAA reauthorization bill and a measure to give collective bargaining rights to public safety workers, such as firefighters, police officers, and emergency medical technicians.

The House will return to pro forma session on Monday, with the chamber expected to take up the Senate extenders bill if the Senate is able to approve it, and presumably the Senate-passed Medicare physician fix (see item below). Next week’s schedule is in flux, reports CongressDaily, but House Democratic leaders may try to bring up a campaign finance bill that addresses a Supreme Court decision that allows corporations to spend unlimited funds in elections. A scheduled vote on the bill was postponed over a controversial decision to give the National Rifle Association a disclosure exemption. Leaders also hope to approve the FY10 supplemental spending bill before the July 4 recess (see item below).

BUDGET & APPROPRIATIONS
House Democratic leaders are considering legislative options for moving the FY10 emergency wartime appropriations bill (H.R. 4899), including taking up the Senate-passed version and substituting a version crafted by Chairman Obey. News reports indicate that House Democrats are looking at ways to reduce spending in the bill, with discussion of using unspent Recovery Act funds to offset education and other spending. Politico reports that Mr. Obey already has cut in half the $23 billion for education jobs.

In the Senate, the version of the bill approved on May 27 does not include the education jobs funding or cover the Pell Grant shortfall. CQToday reports that Senator Tom Harkin (D-IA), a strong proponent of the education jobs funding, said the final bill probably would not include the full $23 billion for the program, “but we may get something.” Both he and Senate Appropriations Committee Chairman Daniel Inouye (D-HI) oppose using unspent Recovery Act funds to pay for it. “States are making plans based on those obligations,” said Inouye. “If we take from that fund the states will need to make adjustments, and this is not the season.”

President Obama sent congressional Democratic leaders a letter over the weekend urging them to approve the education jobs funding, but it remains unclear if that effort has increased House Democratic support for the provision.

**HIGHER EDUCATION COMMUNITY URGES INCLUSION OF EDUCATION IN FY10 SUPPLEMENTAL UPDATED**

Campuses and higher education groups, including AAU, continue urging House leaders to include education funding in the FY10 supplemental appropriations bill. The requests include the $23 billion to avert layoffs of public school teachers around the country and $5.7 billion to cover the projected shortfall in the Pell Grant program.

The Student Aid Alliance, a group in which AAU participates, wrote to Members of the House of Representatives on June 15 asking them to include the Pell Grant funding in the bill. If the shortfall is not covered in the supplemental, said the letter, either low- and middle-income students will face a cut of $845 in the maximum Pell Grant award of $5,550 or the $5.7 billion funding shortfall will have to be paid for in the program’s FY11 appropriation. In a tight budget year, that could force the appropriations committees to cut funding for other programs to preserve Pell.

The higher education community also continues to support inclusion of the $23 billion for public education jobs, as well as inclusion of higher education in any state maintenance of effort (MOE) provision. The latter is intended to ensure that states do not cut higher education funding to meet a K-12 MOE requirement. As a group of associations said in a May 27 letter to House Appropriations Committee Chairman David Obey (D-WI), “Without such an addition, an unintended consequence of this bill could be further state reductions for colleges and universities.”

**SENATE FAILS TO PASS UNEMPLOYMENT AND TAX BENEFIT EXTENSION BUT APPROVES MEDICARE PHYSICIAN FIX**
The Senate this week again failed to approve legislation to extend unemployment and tax benefits (H.R. 4213), but earlier today was able to pass by unanimous consent a separate six-month extension of the Medicare physician fix with a 2.2 percent payment increase.

Although the physician fix would address the scheduled 21 percent cut in doctors’ reimbursement for treating Medicare patients, CongressDaily reports that Medicare administrators have begun processing physician claims at the lower rate for services after June 1, when the cut technically went into effect. The publication notes, “Regardless of the Senate’s action, the pay cut will be in effect until the House returns next week and takes up the legislation.”

In an effort to pass the larger bill this week, Senate Democrats on June 17 offered a slimmed-down version of a bill considered earlier in the week, but the new measure also was defeated, by a vote of 57 to 41. The new version reduced the deficit impact from nearly $79 billion to $55 billion, which, CongressDaily reports, was designed not only to secure 60 votes in the Senate but also to gain approval in the House. The House passed its own version of the bill (H.R. 4213) in May with about that level of deficit impact.

The new Senate version would renew unemployment benefits through November—as does the House bill—and extend through the end of this year expired tax provisions, such as the R&D tax credit, the IRA charitable rollover, and the above-the-line tax deduction for qualified educational expenses. The Senate bill provided room for $24 billion in Medicaid assistance to the states—which is not in the House bill—in part by reducing the Medicare physician reimbursement fix from 19 months to six months.

EXECUTIVE BRANCH

AAU, APLU WRITE TO NIH ON F&A REIMBURSEMENTS FOR GENOMIC ARRAYS

AAU and the Association of Public and Land-grant Universities (APLU) sent a letter to the National Institutes of Health (NIH) on June 17 expressing concern about the agency’s policy to limit the reimbursement of facilities and administrative (F&A) costs for genomic arrays (GAs) used in NIH-supported grants.

NIH issued a notice on May 13 saying that the agency would no longer pay the full F&A expenses associated with GAs on the grounds that doing so has resulted in reimbursement of F&A costs “disproportionate to the actual administrative burden associated with these items.”

In their letter to Sally Rockey, Acting Deputy Director for Extramural Research at NIH, AAU and APLU wrote that this change in NIH policy contradicts Circular A-21 and—citing F&A reimbursement caps already imposed on other NIH programs such as NIH Career Development awards—represents an NIH trend “to arbitrarily establish agency policies that do not appropriately reimburse universities for costs required by universities to conduct research on the agency’s behalf.”

The letter urges NIH to reconsider its policy and requests a meeting with NIH officials to further discuss this matter.
The Department of Education has issued a Notice of Proposed Rulemaking (NPRM) on higher education program integrity, aimed at better protecting students from misleading recruiting practices, providing consumers with better information on the effectiveness of career college and training programs, and ensuring that only eligible students and programs receive aid.

The higher education associations have begun meeting to analyze the 500-page proposal and to develop a response. AAU and others will be asking their campuses for information and related feedback on the proposed regulations. Comments to the Department are due on August 1, with the goal of publishing a final rule by November 1, to take effect in July 2011.

The Department of Education has prepared a four-page summary of the major portions of the proposed regulations.

CAMPUSES REMINDED TO IMPLEMENT ANTI-ILLEGAL FILE SHARING PLAN BY JULY 1

The Department of Education on June 4 issued a reminder to campuses that the Higher Education Opportunity Act requires them to implement written plans to combat illegal use of copyrighted material on campus networks by July 1.

As described in the Department’s letter, the law requires each institution to develop a plan that includes one or more technology-based deterrents to illegal file sharing and describes how it will educate and inform its communities about appropriate and inappropriate uses of copyrighted materials. The law also requires institutions to offer legal alternatives to illegal file sharing “to the extent practicable,” and to provide information on what disciplinary actions and legal sanctions may be taken against infringers.

EDUCAUSE has developed a webpage that provides additional helpful information.

OTHER

AAU ADDS WEB SECTION ON ECONOMIC IMPACT OF AAU UNIVERSITIES NEW

AAU has added a new section to its website on the economic impact of AAU universities.

The section lists overall facts about these institutions—including that the 61 U.S. members have combined annual operating budgets of about $110 billion, which if they were a separate nation would rank them number 65 in the world—and links to each institution’s latest economic impact report. Also featured are economic impact nuggets from those universities that have provided them.
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