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CONGRESSIONAL SCHEDULE  NEW

Neither the House nor Senate met today. The two chambers will return to session following the
July 4 recess: the Senate on Monday, July 12, the House on Tuesday, July 13.

When Congress returns, Senate Democrats are expected to try again to approve an extension of
unemployment benefits, which fell one vote short of the 60 needed for passage on June 30.
CQToday reports that Democratic leaders could get their 60th vote after the governor of West
Virginia appoints a short-term successor to Senator Robert C. Byrd (D-WV), who passed away
on June 28. The House approved the benefits extension bill on July 1.

Still unclear is how and when congressional Democrats will deal with expired tax benefits—
including the R&D tax credit, the IRA charitable rollover, and the above-the-line deduction for
education expenses—which had been packaged with the unemployment benefits in earlier
versions of the bill.

BUDGET & APPROPRIATIONS
The House last evening approved an amendment adding more than $21 billion in domestic spending to the $59 billion Senate-passed FY11 wartime supplemental appropriations bill (HR 4899), sending the package back to the Senate for further consideration after the July 4 recess. Approval of the House amendment, which passed by a margin of 239 to 182, also challenges a threatened presidential veto.

The House amendment includes $10 billion for education jobs and $4.95 billion to address some of the Pell Grant shortfall. The education jobs funding includes a maintenance-of-effort requirement covering both K-12 and higher education which, as described in the bill summary, aims to “ensure that States use these funds only for preservation of jobs serving elementary and secondary education, and not to supplant State spending on education.”

The American Council on Education reports that none of the proposed $800 million in education rescissions in the package would come from higher education. The rescissions would come from the Teacher Incentive Fund, Race to the Top, and charter schools funding. The White House has threatened to veto the final bill if it includes these “cuts to education reforms,” particularly the President’s signature initiative, “Race to the Top.”

Five higher education associations, including AAU, wrote to Members of the House on July 1 urging them to approve the measure with the education funding.

The Senate version of the supplemental funding bill, approved on May 27, does not include funding for education jobs or the Pell Grant program.

**FY11 APPROPRIATIONS PROCESS FINALLY MOVES AHEAD**

After much delay, the FY11 budget and appropriations process is now underway in the House. As part of the rule approved on July 1 for the FY10 supplemental funding bill, the chamber passed a one-year FY11 “budget enforcement resolution” that sets the cap for discretionary appropriations at $1.121 trillion. House Democrats say the total is $7 billion below the President’s request and $3 billion below the Senate committee-passed FY11 budget resolution.

As previously reported, the Senate Budget Committee approved a more typical five-year FY11 budget resolution on April 22, but the Senate has held off floor action until the House course of action was clear. Budget Committee Chairman Kent Conrad (D-ND) has indicated that the Senate was likely to approve a deeming resolution if the House did so.

With the overall funding level established, markups of FY11 appropriations bills have begun in earnest, with six of the 12 FY11 bills now approved at the subcommittee level. These are: Agriculture, Commerce-Justice-Science (see below), Homeland Security, Legislative Branch, State-Foreign Operations, and Transportation-Housing.

Few if any of the FY11 funding bills are expected to be approved separately by Congress; rather, most are likely to be bundled into an omnibus package after the November elections.
APPROPRIATIONS PANEL PROVIDES FULL FY11 REQUEST FOR NSF BUT LESS FOR NASA SCIENCE

At the markup of its FY11 funding bill on June 29, the House Commerce-Justice-Science Appropriations Subcommittee voted to provide the National Science Foundation (NSF) and NASA with the President’s full budget requests, but the panel made significant funding changes within the agencies. CongressDaily reports that the subcommittee’s allocation nearly matches the Administration’s request, and it reflects a $4 billion drop from the FY10 level largely from the end of funding for the 2010 Census.

NSF would receive $7.4 billion, an increase over the FY10 enacted level of $498 million, or 7.2 percent. Within that total, the subcommittee reduced funding for Research and Related Activities—from the $6 billion requested to $5.96 billion—and increased Education and Human Resources, from the $892 million requested to $958 million.

NASA overall would be funded at the Administration’s FY11 request of $19 billion. However, Science would be funded at $4.7 billion, which is about $300 million less than the Administration’s FY11 request of $5 billion but $235 million more than FY10 funding of $4.4 billion. Aeronautics would receive $375 million, down by $204 million from the request of $579 million and by $126 million from the FY10 enacted level of $501 million.

Subcommittee Chairman Alan Mollohan (D-WV) said in his opening statement that the panel would not take a position on the direction of the nation’s space program. Rather, the subcommittee will wait for the relevant authorization committees to take action before it provides further funding to the Human Space Exploration program.

PRESIDENT ASKS CONGRESS TO SHIFT $100 MILLION FROM NASA FOR JOBS INITIATIVE

In a June 18 letter to House Speaker Nancy Pelosi (D-CA), the Obama Administration submitted a number of amendments to its FY11 budget request, including the reallocation of $100 million from NASA to the Departments of Labor and Commerce for jobs and economic development. The funding would come from the $4.2 billion requested for the Exploration Systems Mission Directorate.

According to the June 28th edition of Space News, $30 million would be moved to the Commerce Department for economic development assistance programs around the Kennedy Space Center and $45 million to assist those affected by the cancellation of Constellation. The remaining $15 million would be directed to the Labor Department to assist other areas of the country affected by the end of the Shuttle program.

AAU PRESIDENT OFFERS COMMENTS TO COMMISSION ON FISCAL RESPONSIBILITY AND REFORM
AAU President Robert M. Berdahl on June 30 provided comments to the National Commission on Fiscal Responsibility and Reform, which will issue a report by December 1 on the medium- and long-term actions needed to improve the nation’s fiscal situation.

President Berdahl focused his remarks on the importance of controlling our national debt to ensure that the country can continue to invest in its future. “A nation that does not invest in its future—by educating and training its people, by conducting the research that leads to discovery and progress, by investing in infrastructure, by protecting the environment—does not have a future, or at least not one worthy of a great nation,” he said.

He cautioned that cuts in discretionary spending, and particularly investment spending, would not help achieve deficit reduction.

“Clearly, government should eliminate waste and nonproductive programs,” he said. “However, to achieve serious deficit reduction, we believe there are no alternatives other than to slow the rise in mandatory spending programs and to increase federal tax revenues through economic growth and increased taxes. As a nation we have to muster the political will to make the tough choices. I assure you that our universities are making difficult choices as they deal with sharply reduced revenues.”

OTHER CONGRESSIONAL ISSUES

STONY BROOK PRESIDENT TESTIFIES AT JEC HEARING ON INNOVATION AND LOCAL ECONOMIES

Fostering economic development from university research goes far beyond technology transfer of university inventions, Stony Brook University President Samuel L. Stanley, Jr., told the congressional Joint Economic Committee (JEC) at a hearing on June 29.

University contributions to economic development include the ability of a campus to attract talent, forge regional partnerships with government and industry, and conduct basic research, as well as the technology transfer incentives provided by the Bayh-Dole Act. He added that Bayh Dole “has been called the most important bill ever passed by Congress, and it continues to help our nation maintain its lead in bringing innovation to the people.”

In his prepared remarks, Dr. Stanley also referenced “Sparking Economic Growth,” the report by The Science Coalition that traces the origins of 100 successful companies to university-based research. He noted that Stony Brook University is the largest single-site employer on Long Island, New York, with an aggregate annual economic impact of more than $4.6 billion.

The hearing, chaired by Rep. Carolyn Maloney (D-NY), was called to examine how innovation from federally funded university research has a positive effect on communities and fuels employment growth. The committee also heard testimony from Dr. Robert Litan, vice president for research & policy at the Kauffman Foundation, which was read by Dane Stangler, and from Zachary Shulman, a venture capitalist who works with Cornell University.

During the subsequent discussion, Mr. Stangler reiterated the Kauffman Foundation’s proposal to allow faculty inventors to operate as free agents and pursue commercialization through other
campuses’ technology transfer offices or with other third parties. In response, Dr. Stanley said there was a lack of evidence that campus technology transfer offices are slowing or mishandling the commercialization process and that the Kauffman proposal essentially would return university commercialization and start-up creation to pre-Bayh-Dole days. He added that less than one percent of faculty members have any familiarity with the technology commercialization process and therefore most faculty would be ill-equipped to work with third parties to commercialize their research effectively. Thus, he said, the Kauffman proposal could increase, rather than reduce, technology transfer delays and inefficiencies.

Mr. Shulman pointed out that most campus technology transfer offices operate in much the same way, but they have varying levels of success based on such factors as regional differences. Allowing a free-agent system, he said, would not necessarily address any perceived problems.

Information about the economic impact of AAU universities individually and in the aggregate is available in a new section of the AAU website, Economic Impacts of AAU Universities.

EXECUTIVE BRANCH

DEPARTMENT OF ENERGY ANNOUNCES NEW EARLY CAREER AWARDS COMPETITION

The Department of Energy has announced that it will begin accepting proposals for the second year of its Science Early Career Research Program, which supports research of outstanding scientists early in their careers. The Department will provide up to $15 million to support at least 50 early-career researchers for five years at U.S. academic institutions and DOE national laboratories.

Pre-applications are mandatory and are due on August 13, 2010; proposals are due on November 9, 2010.

UNIVERSITY LEADERS WRITE TO PRESIDENT IN SUPPORT OF EXPANDED U.S.-INDONESIA TIES

A group of 137 university presidents and chancellors, under the leadership of AAU and the Association of Public and Land-grant Universities (APLU), has sent a letter to President Obama expressing strong support for “expanded partnerships between U.S. and Indonesian universities on research and other matters of interest and importance to both countries.”

The letter and an accompanying press release from APLU and AAU were made public on June 28, following the President’s announcement at the G20 Summit that an agreement had been reached with Indonesia to spend $160 million on programs to encourage educational exchanges and joint programs between the two countries. The letter was to be sent to the White House in May just before the President’s planned trip to Indonesia, but the trip was twice postponed.

WHITE HOUSE RELEASES NEW NATIONAL SPACE POLICY
President Obama on June 28 announced a new National Space Policy aimed at encouraging greater international collaboration in space-related activities, and urging greater opportunities for the commercial space enterprise.

OTHER

AAMC ISSUES NEW GUIDELINES FOR AVOIDING CONFLICT OF INTEREST IN CLINICAL CARE

A new report by the Association of American Medical Colleges urges U.S. teaching hospitals to establish policies that manage financial relationships between physicians and industry so that they do not influence patient care. "In the Interest of Patients: Recommendations for Physician Financial Relationships and Clinical Decision Making" provides guidance on how academic medical centers can identify, evaluate, and disclose conflicts of interest in clinical care.

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