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CONGRESSIONAL SCHEDULE  NEW

The Senate did not meet today. The House continued work on the FY11 continuing resolution (H.R. 1), which House leaders hoped to wrap up by tonight.

The House and Senate will both be out of session next week for the Presidents’ Day recess.

When the Senate returns on Monday, February 28, the chamber will begin consideration of the Patent Reform Act of 2011 (S. 23). Also that week, the Senate is expected to consider its own version of the FY11 continuing resolution (CR); Senate Democrats have not made the package public.

With the current CR expiring on Friday, March 4, there will be plenty of fireworks between Republicans and Democrats, and between the House and Senate, over what will replace the measure. It is unclear whether an agreement will be reached by that deadline in order to avoid a government shutdown.
Senate Appropriations Committee Chairman Daniel Inouye (D-HI) has said several times that one or more short-term CRs would be needed for the House, Senate, and White House to come to agreement on an FY11 bill. But House Speaker John Boehner (R-OH) said at a press conference on February 17 that he would not move another short-term CR at current funding levels. “We’re hopeful the Senate will take up the House-passed bill that comes out of here today, tonight, tomorrow morning, whenever it is,” he said.

BUDGET & APPROPRIATIONS

HOUSE CONTINUES WORK ON FY11 CONTINUING RESOLUTION; PRESIDENT ISSUES VETO THREAT

At this writing, the House of Representatives continues slogging through dozens of amendments to the FY11 continuing resolution (CR), which would fund the federal government through the end of the fiscal year. House Republican leaders hope to finish consideration of the bill (H.R. 1) today, but it remains unclear when a final vote will occur. (House Members submitted more than 500 amendments to the bill, but Republicans and Democrats approved a unanimous consent agreement last night that limits the remaining amendments to about 125, with variable periods of debate for each). H.R. 1, as introduced, would cut discretionary spending by about $60 billion from its FY10 levels. A number of amendments would cut funding further.

The Obama Administration issued a veto threat against H.R. 1 on February 15. The Statement of Administration Policy said, in part:

“…the Administration does not support deep cuts that will undermine our ability to out-educate, out-build, and out-innovate the rest of the world… If the President is presented with a bill that undermines critical priorities or national security through funding levels or restrictions, contains earmarks, or curtails the drivers of long-term economic growth and job creation while continuing to burden future generations with deficits, the President will veto the bill.”

A list of amendments of interest to the research university community that have been approved or rejected so far during the House debate is available at the end of this document. The House Republican Cloakroom maintains a running list of amendments considered.

SENATE TO INCLUDE PRESIDENT’S PROPOSED SPENDING FREEZE IN FY11 CR

NEW

Senate Democratic leaders have not released their own version of the FY11 CR, but Majority Leader Harry Reid (D-NV), according to National Journal, said the package being developed by Appropriations Committee Chairman Daniel Inouye (D-HI) would have President Obama’s proposed spending freeze as its “centerpiece.”

Senate Democrats Issue Broad Agenda. Presumably, the Senate Democrats’ FY11 funding proposal will contain elements of the broader agenda they announced on February 16. The agenda endorses the President’s proposed five-year freeze on domestic discretionary spending, calls for overhauling the tax code, and includes a variety of proposals to accelerate clean energy
development and manufacturing, update the nation’s transportation system, and expand high-speed internet access. The Senate Democrats’ plan also would expand and make permanent the American Opportunity Tax Credit.

**UMR HONORS CONGRESSIONAL CHAMPIONS, OPPOSES NIH CUTS IN HOUSE FY11 BUDGET**

United for Medical Research, a group representing research institutions, industry, patients, and health advocates in which AAU participates, held an event on Capitol Hill on February 16 to honor congressional champions of biomedical research and to launch “Profiles of Promise,” a compilation of interviews with those champions on why they support federal biomedical research funding.

The group also sent a letter to all Members of the House on February 15 urging them to oppose the proposed $1.6 billion cut in funding for the National Institutes of Health (NIH) in the FY11 CR being debated this week in the House.

The Capitol Hill event, for which Jared M. Cohon, Carnegie Mellon University president and AAU chair, served as moderator, featured a video of “Profiles of Promise,” and remarks from NIH Director Francis S. Collins and four congressional champions – Senators Robert Casey (D-PA) and Ben Cardin (D-MD), and Representatives Brian Bilbray (R-CA) and Lucille Roybal-Allard (D-CA).

**STUDENT AID ALLIANCE URGES HOUSE MEMBERS TO VOTE AGAINST FY11 CONTINUING RESOLUTION**

The Student Aid Alliance, a group of organizations and institutions in which AAU participates, sent a letter to all Members of the House of Representatives on February 14 urging them to vote against the FY11 continuing resolution (H.R. 1) because it would make drastic cuts to student aid programs.

“Slashing financial aid on which more than nine million families depend as they budget for the fall semester, mere months from the July 1 deadline for making these awards, could force millions of students to drop out of school,” said the letter. The group of associations added that a Pew Research Center poll released on February 10 showed that 62 percent of Americans want the federal government to increase education spending, compared to just 11 percent who would support cutting it.

**AFRI COALITION URGES RESTORATION OF 13-PERCENT CUT IN AFRI**

AAU joined a coalition of scientific societies, industry groups, and other agricultural research stakeholders in signing a letter to all Members of the House opposing a proposed cut in the Agriculture and Food Research Initiative (AFRI), the “premier competitive grants program at USDA.”
The FY11 continuing resolution would cut AFRI by $34.6 million, or 13 percent, from the FY10 enacted level of $262 million, reducing the agency’s funding to $227 million. The letter argues, “Such a cut would hinder advances in agricultural and food science as well as the deployment of new technologies, both of which support energy security, improved health, and economic recovery – the most critical priorities for our nation today.”

**FY12 BUDGET WOULD BOLSTER MOST RESEARCH PROGRAMS, CHANGE STUDENT AID PROGRAMS**

The [FY12 budget](#) that the Obama Administration released on February 14 incorporates the President’s commitment to increase federal investments in research and education, even as it calls for freezing domestic discretionary spending for five years. In a [statement](#) issued that day, AAU President Robert M. Berdahl said, “We applaud the President’s continuing commitment to scientific research and innovation. His budget, while freezing discretionary spending and taking other steps to reduce deficits, invests in research that will help us grow our economy, conquer disease, achieve greater energy independence, and strengthen our national security.”

**Research Agencies.** The proposed budget would increase funding over FY10 levels for most of the federal research agencies and programs that AAU follows. These agencies include the National Institutes of Health (+ 3 percent), the National Science Foundation (+ 13 percent), NASA Science (+ 12 percent), the Department of Energy Office of Science (+ 6 percent), the Advanced Research Projects Agency-Energy ($550 million, compared to no funding in the regular FY10 budget), and Department of Defense basic 6.1 research (+ 15 percent without previous congressional earmarks).

The exception is the National Endowment for the Humanities, whose budget would be cut by $22 million, or 13 percent, to $146 million.

**Higher Education and Student Aid.** The President’s FY12 budget would provide $77.5 billion in discretionary appropriations for the Department of Education, an increase of $7.5 billion over FY10 funding. The total includes $28.6 billion for the Pell Grant program.

Within the FY12 request, the Administration proposes to streamline, consolidate, and reduce costs of some student aid and higher education programs. It also would create new programs to raise college graduation rates; improve teacher education, particularly in the science, technology, engineering, and mathematics (STEM) fields; and expand research on teaching effectiveness and learning. The budget proposes a new Advanced Research Projects Agency-Education, based on the agencies at the Defense and Energy Departments, to promote dramatic breakthroughs in educational technology.

The Administration is seeking to maintain the $5,550 maximum Pell Grant award but make other changes to reduce costs in the rapidly growing program. The FY12 budget proposes to eliminate the policy of year-round awards as well as the in-school interest subsidy for graduate and professional students. The budget also proposes to simplify student loan repayments and create a new Perkins Loan program that would be extended to up to 2,700 additional colleges and universities. The Department would receive an additional $200 million to administer student aid programs.
Another proposal would consolidate the Javits Fellowship Program for graduate study in the arts, humanities, and social sciences into the Graduate Assistance in Areas of National Need (GAANN) program.

**Tax Policies.** The FY12 budget includes several tax-related proposals of interest to research universities.

The budget would make permanent the American Opportunity Tax Credit (AOTC) and index for inflation the $2,000 tuition and expense amounts, as well as the phase-out thresholds. The proposal also would extend through 2012 the deduction for qualified tuition and related expenses. Additionally, the FY12 budget would exclude from gross income amounts forgiven at the end of the repayment period for federal student loans using the income-contingent repayment or the income-based repayment options.

The budget proposes to limit the value of itemized deductions, including the deduction for contributions to charitable organizations such as colleges and universities, to 28 percent for high-income taxpayers. It also proposes to extend the IRA charitable rollover through 2012. The budget also proposes to make permanent the research and experimentation tax credit, and to increase the rate of the alternative simplified research credit from 14 percent to 17 percent.

**AAU SUMMARIZES AND ANALYZES RESEARCH, EDUCATION, TAX PROVISIONS IN FY12 BUDGET  NEW**

AAU has developed preliminary summaries and analyses of the research, higher education, and relevant tax provisions in the President’s proposed FY12 budget. Those materials are available on the AAU website [here](#).

**EXECUTIVE BRANCH**

**ASSOCIATION ISSUES FAQS ON PROPOSED STUDENT HEALTH PLAN REGULATIONS**

The American College Health Association (ACHA) has published on its website a list of answers to frequently asked questions about proposed regulations dealing with student health plans under the Patient Protection and Affordable Care Act. The proposed regulations were issued on February 11 by the Department of Health and Human Services, which also provided a press release and fact sheet. The American Council on Education (ACE) has prepared a summary of the major provisions of the proposed regulations.

AAU is working with ACE and other associations to analyze the proposed regulations and craft comments, which must be submitted by Tuesday, April 12, 2011.

**H-1B VISA PETITIONERS WILL BE REQUIRED TO ANSWER EXPORT CONTROL QUESTION  NEW**
Beginning on February 20, an employer petitioning for an H-1B visa for a foreign worker will be required to certify that the company or institution has reviewed export control regulations and determined if the individual involved will or will not require an export control license.

Specifically, an employer will be required to complete Part 6 of the Form I-129, in which, “the petitioning employer must certify that it has reviewed the Export Administration Regulations (EAR) and the International Traffic in Arms Regulations (ITAR) and has determined that either: (1) a license is not required to release the technology to the beneficiary, or (2) a license is required and the petitioner will prevent the beneficiary’s access to the technology until the petitioner has secured a license or other authorization.”

The requirement to answer the new question, “Certification Regarding the Release of Controlled Technology or Technical Data to Foreign Persons in the United States,” was originally scheduled to go into effect on December 23, 2010, but was postponed to February 20, 2011, by the U.S. Citizenship and Immigration Service (USCIS).

Kevin Wolf, Assistant Secretary of Commerce for Export Administration, suggested at a recent meeting that the USCIS would shortly be developing Frequently Asked Questions for employers and visa petitioners.

OTHER

ACADEMY TO STUDY WAYS TO BOLSTER HUMANITIES AND SOCIAL SCIENCES  NEW

In response to a request from a bipartisan group of U.S. Representatives and Senators, the American Academy of Arts and Sciences has announced that it will create a national commission to “bolster teaching and research in the humanities and social sciences.” The panel, which will be co-chaired by Duke University President Richard Brodhead and Exelon Corporation Chairman James Rowe, also includes university presidents, corporate and foundation leaders, academic experts, and well-known leaders in the arts and in the entertainment industry. AAU President Robert M. Berdahl has been named a member of the commission.

The group has a charge to recommend which top 10 actions Congress, state governments, universities, foundations, and others should take now to:

“…maintain the national excellence in humanities and social scientific scholarship and education, and to achieve long-term national goals for your intellectual and economic well-being; for a stronger, more vibrant civil society; and for the success of cultural diplomacy in the 21st century.”

The report was requested by Senators Lamar Alexander (R-TN) and Mark Warner (D-VA), and Representatives Tom Petri (R-WI) and David Price (D-NC). The request bears many similarities to a request made to the National Academies last year by four Members of Congress, including Senator Alexander, to study and recommend actions to sustain the nation’s research universities.
AMENDMENTS APPROVED:

#23: Cut $42 million from NIH, CDC, and other HHS accounts to add to the Health Resources and Services Administration for HIV-AIDS programs—Alcee Hastings (D-FL), adopted by voice vote

#125: Redirect $298 million from NASA to the Community-Oriented Policing Services program—Anthony Weiner (D-NY), approved by a vote of 228-203

#214: Provide no funds to promulgate or enforce new regulations related to gainful employment under the Higher Education Act—John Kline (R-MN), approved by a vote of 289-136

#223: Redirect $510 million from Homeland Security science and technology to grants to firefighters—Bill Pascrell (D-NJ), approved by a vote of 318-113

AMENDMENTS REJECTED:

#192: Eliminate ARPA-E funding and increase deficit reduction—Judy Biggert (R-IL), fell by a vote of 170-262

#315: Cut solar energy research by $247 million—Tom McClintock (R-CA), fell by voice vote.

#395: Transfer $20 million from Fossil Energy Research and Development to ARPA-E—Jay Inslee (R-WA), fell by a vote of 159-273

AMENDMENTS REJECTED UNDER POINTS OF ORDER:

#213: Restore the $1.6 billion cut in NIH funding—Ed Markey (D-MA)

#239 - Increase Pell Grants to $4860 per student—Jackson-Lee (D-TX)

#490 - Increase Pell Grants to $4860 per student—Judy Chu (D-CA)

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