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CONGRESSIONAL SCHEDULE  NEW

Congress was out of session this week for the Presidents’ Day recess.

When the Senate returns on Monday, February 28, it will begin consideration of the Patent Reform Act of 2011 (S. 23). The House also will return on Monday, but at this writing, no schedule has been announced.

Also next week, both the House and Senate will need to approve a short-term funding bill—probably lasting two weeks—to maintain federal spending while House Republican and Senate Democratic leaders negotiate a longer-term package to cover the remaining seven months of Fiscal Year 2011 (FY11). (See the next item below.)

BUDGET & APPROPRIATIONS

HOUSE AND SENATE MANEUVER TOWARD SHORT-TERM EXTENSION OF FY11 FUNDING  NEW

With the current FY11 continuing resolution set to run out on March 4, House Republicans and Senate Democrats are working on a brief FY11 CR and a the longer-term package to cover the rest of FY11.

House Republicans leaders will introduce later today a short-term CR that would fund government programs for two weeks at their current levels—which are generally frozen at FY10 levels—minus $4 billion. The cuts in the two-week spending bill are proportional to those in the
long-term CR that the House passed last week, which would cut $61 billion over the remaining seven months of FY11.

According to Politico, leaders of the House Appropriations Committee said that most of the $4 billion in cuts in the short-term CR would be achieved by “sweeping up old pork-barrel projects and terminating programs already targeted by the White House.”

Meanwhile, Senate Democrats have shown a new willingness to cut spending in a short-term CR, modifying their earlier support of a one-month CR at current spending levels. As described by Politico, Senate Democrats have now “stepped past President Barack Obama and signaled they would begin looking for new cuts below his spending freeze, an important move in the GOP’s direction.”

National Journal reports that Senate Democrats are working on a seven-month FY11 CR that would cut $8.5 billion in previously approved earmarks and “accelerate about $24.7 billion in program eliminations or reductions sought by President Obama in his fiscal 2010 budget proposal.” Senate leaders plan to present the plan to House Republicans by early next week.

National Journal further reports:

“As the clock ticks toward a shutdown, genuine efforts are proceeding to find a way to negotiate a funding bill that won’t end in gridlock. But as [House Majority Leader John] Boehner and [Senate Majority Leader] Reid brace for more rhetorical combat, neither party’s leadership has settled on a strategy or is confident about the political consequences of a shutdown, if it comes to that. In the meantime, the key thing is to avoid any hint of seeking a breakdown for tactical advantage—and to keep the finger of blame pointed at the other side.”

**CRS REPORT DETAILS CAUSES, PROCESSES, EFFECTS OF A GOVERNMENT SHUTDOWN**  
**NEW**

The Congressional Research Service (CRS) has developed a paper describing the impact of a federal government shutdown if Congress and the President are unable to agree on continued government funding after the current CR expires on March 4. “Shutdown of the Federal Government: Causes, Processes, and Effects,” dated February 18, details the impacts on federal agencies and employees, Congress, and the public, including which services would be exempted.

**EXECUTIVE BRANCH**

**NIH OFFICIALS DETAIL NEW LOCATIONS FOR NCRR PROGRAMS WHEN NCRR IS ELIMINATED**

Late last year, leaders of the National Institutes of Health (NIH) proposed to reorganize the agency by creating a new National Center for Advancing Translational Sciences (NCATS) and eliminating the National Center for Research Resources (NCRR). Since that time, the biomedical research community has been concerned about the fate of the infrastructure and other programs administered through NCRR.
Some of those concerns were addressed on February 23, when the NIH Scientific Management Review Board (SMRB) held a conference call to describe final recommendations from an internal NCRR task force. Under the recommendations, which were made to the Director of NIH, most of the infrastructure programs now in the NCRR would be housed in a permanent infrastructure unit within the NIH Office of the Director. Other NCRR programs would be placed in existing NIH institutes, such as the Institutional Development Awards, which would move to the National Institute of General Medical Science.

Concern about the fate of NCRR programs prompted more than one thousand comments to the website NIH created to solicit feedback on the creation of NCATS and elimination of NCRR. AAU and the Association of Public and Land-grant Universities submitted a joint letter on February 11 urging NIH to continue to support critical infrastructure programs and to consider evaluating the impact of the reorganization in the future. However, public comments during Wednesday’s teleconference were generally supportive of the final recommendations, although one SMRB member questioned whether the process was moving too quickly.

The President’s FY12 budget includes a line item for NCRR, but no funding for NCATS. NIH Director Francis Collins has indicated that the agency will submit a budget amendment reflecting the creation of NCATS and redistribution of NCRR programs as recommended by the task force.

ASSOCIATIONS COMMENT ON SEC PROPOSED “MUNICIPAL ADVISOR” RULE

A group of 12 higher education associations, including AAU, sent a letter to the Securities and Exchange Commission (SEC) on February 22 providing detailed comments on a proposed rule on SEC registration of municipal advisors.

The letter, spearheaded by the American Council on Education, expresses concern that the proposed rule’s broad definition of “municipal advisor” could be interpreted to require employees and governing board members of many colleges and universities and their affiliated organizations to register with the Commission. The associations urge the Commission to exclude such individuals from the definition.

The letter notes that the proposed rule would overturn established federal policy under which SEC registration requirements cover firms and persons that are in the business of providing investment advice, not trustees and employees who discuss municipal financial issues in the performance of their duties. “Nothing in the language or history of the Dodd-Frank Act signals that Congress intended to effect a fundamental shift in that policy,” the letter says.

The association letter also focuses on the fact that the definition of municipal advisor in the proposed rule specifically excludes elected trustees and employees of public colleges and universities, but does not exclude appointed trustees of public institutions or trustees and employees of private institutions and other affiliated organizations, such as teaching hospitals. The associations conclude that there is no sound reason to regulate trustees and employees of private and public entities under different regulatory regimes.
As part of the series, “Societal Benefits of Research-Illustrated,” AAU has published the first issue of “Scientific Enquirer,” a journal with articles about “funny-sounding” research that has made major contributions to the economy and society. The lead story, entitled “Sex and the Screwworm,” details work conducted in the 1950’s by entomologist E.F. Knipling on the sex life of screwworms. The research was mocked by former U.S. Senator William Proxmire, who called it frivolous and gave it his “Golden Fleece” award. But by figuring out how to disrupt the reproductive cycle of this livestock parasite, Dr. Knipling’s research led to the eradication of screwworms in the U.S., saving the livestock industry $20 billion. Senator Proxmire later apologized to him.

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