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CONGRESSIONAL SCHEDULE  NEW

The House today approved legislation (H.R. 836) to end the Emergency Mortgage Relief Program. The Senate did not meet.

The House will reconvene on Monday, March 14, but at this writing, the House leadership has not yet announced next week’s schedule. The chamber is at least expected to approve the next short-term continuing resolution, possibly as early as Tuesday. (See item below.)

When the Senate reconvenes on Monday, March 14, it will vote on cloture for legislation (S. 493) to reauthorize small business research programs (see item below). It also will consider the short-term CR next week.

BUDGET & APPROPRIATIONS

HOUSE APPROPRIATORS UNVEIL NEXT SHORT-TERM CR  NEW

With little chance that a budget agreement will be reached by the time the current continuing resolution (CR) expires on March 18, House appropriators late this afternoon introduced a new short-term FY11 continuing resolution (CR) that extends funding for three weeks, with $6 billion in additional cuts. As with the current short-term CR, the bill (H.J. Res. 48) contains a $2-billion cut in spending for each additional week.

Based on the committee press release, the measure includes no policy riders and makes no cuts in the National Institutes of Health, the National Science Foundation, or the Department of Energy Office of Science. The bill would reduce or terminate 25 programs for a saving of $3.5
billion and would eliminate “$2.6 billion in earmark account funding that was automatically renewed in the CR approved by the previous Congress in December.” The press release includes on the earmark list $63 million in Cross Agency Support at NASA, as well as $20 million from scientific and technological research and $47 million from research facility construction at the National Institute of Standards and Technology.

CQ.com reported earlier today that the three-week CR “is designed to pass the House with minimal fuss on Tuesday and be cleared by the Senate without any efforts at legislative hostage-taking before Friday, when the current CR expires.”

SENATE VOTES DOWN BOTH PARTIES’ FY11 BUDGET PROPOSALS

The Senate on March 9 rejected alternative Republican and Democratic approaches to the long-term FY11 spending bill. The House-passed H.R. 1, which would cut $57.5 billion from current FY11 funding, failed on a vote of 44-56; the Senate Democratic leadership plan, which would cut $4.7 billion from current funding, failed on a vote of 42-58. (NOTE: The lower numbers for both proposals reflect the fact that $4 billion in FY11 spending has already been cut by the current short-term funding bill.)

Since neither proposal came close to receiving the 60 Senate votes needed to pass, the votes seemed to suggest that neither party holds a real advantage at the moment, and that serious negotiations will need to take place before the issue is resolved. National Journal reports that Senate Democrats also hope to broaden the debate to include other parts of the budget, such as farm price supports and offshore oil subsidies.

OTHER CONGRESSIONAL ISSUES

SENATE APPROVES PATENT REFORM LEGISLATION

The Senate voted overwhelmingly on March 8 to approve The America Invents Act (S. 23), legislation to update and reform the U.S. patent system. The vote was 95 to 5. As reported previously, S. 23 is strongly supported by the six higher education associations, including AAU, that have worked together on this issue.

President Obama issued a strong endorsement of the bill, which he termed a “long-overdue reform” that would reduce the backlog of patent applications, increase transparency and certainty for inventors, and “help grow our economy and create good jobs.”

The debate over patent reform now moves to the House, where House Judiciary Committee Chairman Lamar Smith (R-TX) on March 8 issued a statement praising Senate approval of the bill as “an important development in our efforts toward meaningful patent reform.” His statement added, “The Senate bill makes several important changes to our patent system. The House will introduce similar legislation this month that will help turn the ideas of American innovators into companies and jobs.”
The Senate is scheduled to begin consideration next Monday of legislation (S. 493) to reauthorize two small business research programs. AAU supports the programs but opposes provisions in the bill that would increase the small business funding set-aside at major federal research agencies.

The bill, which was reported by the Senate Small Business Committee on March 10, would reauthorize through 2019 the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs, which have been running on a series of short-term authorization extensions since 2008. Senate Majority Leader Harry Reid (D-NV) has strongly endorsed S. 493, which was introduced by Senate Small Business Committee Chair Mary Landrieu (D-LA) and Ranking Member Olympia Snowe (R-ME).

The measure is virtually identical to the bill approved by the Senate in the final days of the 111th Congress, but which the House did not consider. As did the previous bill, S. 493 would increase the set-asides for small business research at federal agencies with extramural research and development budgets that exceed $100 million. The set-aside for SBIR would increase from 2.5 percent to 3.5 percent over 10 years, and increase for STTR from .3 percent to .6 percent over six years. The bill also would expand SBIR eligibility of companies that are majority owned by venture capital firms and raise the size of the awards.

AAU and other research organizations have supported reauthorization of the SBIR/STTR programs, but have opposed increasing the set-asides in the absence of information showing the need for increases. AAU has maintained, as AAU President Robert Berdahl testified before the House Science Committee’s Subcommittee on Technology and Innovation on April 23, 2009, that “the best way to increase the amount of funding available to these programs is to provide steady and sustained funding increases for federally supported research.”

Increases in the set-asides are of particular concern to university researchers during times of constrained research budgets because they redirect money from other research priorities and reduce the already low success rates at agencies such as the National Institutes of Health, the National Science Foundation, and the Department of Energy Office of Science.

The House Small Business Committee, which in the past has not favored an increase in the set-asides, has scheduled a hearing on SBIR/STTR reauthorization on March 16.

**Higher Education Groups Request Help in Obtaining Delay in Rule Implementation**

A group of 70 higher education associations and accrediting organizations, including AAU, sent a letter on March 10 to Rep. Virginia Foxx (R-VA), chair of the House Subcommittee on Higher Education and Workforce Training, thanking her for holding a hearing to review the Department of Education’s final rule on program integrity and asking for her assistance in obtaining a one-year extension of the effective date of two specific provisions. The two provisions establish a federal definition of “credit hour” and expand state authorization requirements.
The organizations’ letter notes that the program integrity rule issued by the Department on October 29, 2010, is intended “to eliminate fraud and abuse, shield students from predatory practices, and protect taxpayer investment in the Title IV financial aid programs, all of which are objectives we strongly support.” While some of the new provisions in the rule would help meet these goals, says the letter, others miss the mark, particularly the two dealing with credit hour and state authorization requirements. “These provisions will have little or no effect in curbing fraud and abuse, but they could do enormous damage to the quality and diversity of postsecondary academic offerings,” write the organizations.

The letter adds that the groups have shared detailed comments on these issues with Secretary of Education Arne Duncan in two separate letters and have asked him to rescind the two provisions in their entirety. Having received no response to these concerns, the organizations ask Chairwoman Foxx for her assistance in obtaining a one-year extension in the effective date of the two provisions.

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