CONGRESSIONAL SCHEDULE  NEW

The House met today with the hope of voting on a new version of legislation (S. 627) to reduce deficits and raise the statutory limit on the national debt. At this writing, no vote has occurred. The Republican leadership has already announced that the House will meet Saturday and Sunday. The program for next week has not been announced.

The Senate also met today, with no specific business scheduled but with the possibility of also voting on debt-deficit legislation. No calendar has been announced for next week, but a Sunday session is anticipated this weekend, according to CQ.com.

BUDGET & APPROPRIATIONS

CONGRESSIONAL LEADERSHIP SCRAMBLES TO PASS DEBT CEILING LEGISLATION  NEW

The August 2 deadline set by the Treasury Department for raising the national debt limit is four days away, and it is unclear whether the House and Senate can agree on legislation (S. 627) to meet the deadline that the President is willing to sign. The House delayed a vote originally scheduled for last night on Speaker John Boehner’s (R-OH) package of spending cuts and debt ceiling increases, because Speaker Boehner apparently did not have enough votes in the Republican caucus to pass this version of the legislation. Today he amended his proposal to make a proposed second increase in the debt, needed to take the issue past 2012, contingent upon
Congress passing and sending to the states a balanced-budget amendment to the Constitution. The House passed the bill this evening on a vote of 218-210.

Meanwhile, Senate Majority Leader Harry Reid (D-NV), having made clear that the Boehner plan is dead on arrival in the Senate, is pursuing his own plan for breaking the impasse, although he, too, will need to make changes to have a chance to gain the 60 votes he needs for Senate passage. He is reportedly consulting with Republican Leader Mitch McConnell (R-KY) on how to move forward. Senator McConnell has been publicly backing Speaker Boehner’s efforts. The White House is consulting with Congressional Democrats privately and publicly exhorting Congress to act. The President, while also making clear that he would not sign the Boehner legislation, is not publicly offering any specific solutions.

Neither the White House nor federal agencies have provided any information on how the federal government would operate if the debt ceiling were reached, forcing the government to rely solely on current revenues, with no new borrowing. The conventional wisdom is that the Treasury Department would pay interest owed to creditors and spend whatever was necessary to ensure national security. The White House reportedly is working on a contingency plan.

---Boehner, Reid Debt Ceiling Proposals Treat Higher Education Differently

The competing plans for reducing budget deficits and raising the federal debt ceiling issued by House Speaker John Boehner (R-OH) and Senate Majority Leader Harry Reid (D-NV) both would have important effects on higher education.

- Both plans would eliminate the ability of graduate and professional students to take out subsidized Stafford loans, beginning on July 1, 2012. This proposal was also included in the President’s FY12 budget. The Boehner plan, however, contains exemptions relating to students taking prerequisite coursework for degrees or certificate programs and students in programs leading to teaching certification.

- Both plans include mandatory spending to help fill the funding gap in the Pell Grant program. The Boehner plan provides $9 billion in mandatory spending in FY12 and $8 billion in FY13. The Reid proposal includes $10.5 billion in mandatory funds in FY12 and $7.5 billion in FY13. Thus, the House plan is $2 billion short of filling the current Pell Grant gap, while the Senate plan is only short $.5 billion.

- The Boehner plan sunsets the Secretary of Education’s authority to provide incentives for on-time repayment of students loans on July 1, 2012, and it prohibits the creation of any such incentives, with one exception for borrowers who make electronic payments. The Reid plan does not contain a similar provision.

COALITION LETTER TO APPROPRIATORS DEFENDS NIH MERIT REVIEW

More than 80 associations and universities have sent a letter to House appropriators defending the peer review process at the National Institutes of Health (NIH) and urging them to resist efforts to defund or attack specific NIH grants in the debate over FY12 appropriations for the agency.

The letter, organized by the Coalition to Promote Research (CPR) and dated July 26, 2011, was sent to Reps. Dennis Rehberg (R-MT) and Rosa DeLauro (D-CT), the chair and ranking member, respectively, of the House Labor-HHS-Education Appropriations subcommittee.
The CPR letter follows a recent report by the Traditional Values Coalition (TVC), which singled out NIH grants related to sexuality and drug abuse as wastes of taxpayer dollars. The TVC is calling on Congress to “enforce a moratorium on NIH grant-making while a special prosecutor or another impartial investigator conducts a full review of the NIH budget.” This is not the first time the TVC has questioned NIH funding of research projects related to homosexuality and sexually transmitted diseases; the group launched a similar campaign in 2003.

OTHER CONGRESSIONAL ISSUES

SCIENCE COMMITTEE DEMOCRATS ISSUE REPORT RESPONDING TO COBURN REPORT ON NSF

The Democratic staff of the House Committee on Science, Space, and Technology has issued a report, entitled “Out of Focus,” that responds in detail to “Under the Microscope,” the critical report on the National Science Foundation issued earlier this year by Senator Tom Coburn (R-OK).

In a letter accompanying the report, the staff writes: “The National Science Foundation is one of the best managed agencies in the Federal government, with very low overhead and a very aggressive Inspector General working to keep NSF focused on those areas that need improvement. While the search for duplication and savings is important, the Senate report contributes nothing new to the discussion, and gets much wrong along the way.”

EXECUTIVE BRANCH

NSF LAUNCHES NEW INNOVATION PROGRAM

The National Science Foundation (NSF) on July 28 launched a new program to help develop basic scientific and engineering discoveries into new technologies, products, and processes. The NSF Innovation Corps (I-Corps) program is a public-private partnership among the NSF, Kauffman Foundation, and Deshpande Foundation. The goal of the program, according to the NSF press release, is to “connect NSF-funded scientific research with the technological, entrepreneurial and business communities to help create a stronger national ecosystem for innovation that couples scientific discovery with technology development and societal needs.”

The I-Corps program will initially support 100 projects per year, at $50,000 per award. The program places a $5,000 limit on facilities and administrative cost reimbursement for all I-Corps program recipients.

Each grant will support an I-Corps team, composed of a principal investigator, a mentor, and an entrepreneurial lead. Over a period of six months, each team will determine what resources are needed to move research to the stage of technology development, as well as evaluate competing technologies and determine the value that the I-Corps-supported technology would add to the marketplace. While I-Corps proposals will be evaluated using the standard merit review criteria approved by the National Science Board -- Intellectual Merit and Broader Impacts -- they will also be evaluated on two additional criteria: the potential impact on the market and the time horizon to impact.
NSF anticipates investing $1.25 million of its FY 2011 appropriation in the I-Corps program. The Foundation also expects to secure private investments for the program in FY 2011 and 2012.

AAU, APLU SUBMIT JOINT RECOMMENDATIONS ON IMPROVING OMB CIRCULAR A-21

On July 28, AAU and the Association of Public and Land-grant Universities (APLU) submitted a joint response to the Obama Administration’s task force of federal agency representatives who are considering changes to OMB Circular A-21, the federal rules governing reimbursement of expenses on federal research grants and contracts awarded to educational institutions. The A-21 Task Force is examining possible changes to A-21 aimed at reducing administrative burdens and compliance costs associated with federally funded research. The Task Force will also examine how A-21 is currently being implemented and if changes are needed to ensure that federal agencies are applying the rules in a consistent manner.

In June, the Task Force issued a Request for Information (RFI) through the National Institutes of Health (NIH) asking for suggestions from the public on ways to improve A-21. In addition to its joint response with APLU, AAU worked closely with the Council on Governmental Relations on its comprehensive response and endorsed it. Several universities also submitted institutional responses.

The Task Force plans to release a report with its final recommendations for changing Circular A-21 by the end of August.

STATE DEPARTMENT NAMES NEW SCIENCE & TECHNOLOGY ADVISER

Secretary of State Hillary Clinton on July 22 named Dr. E. William (Bill) Colglazier as her Science & Technology Adviser. Congress established the position of Science & Technology Adviser to the Secretary of State in 2000; Dr. Colglazier is the fourth individual to hold the position.

Dr. Colglazier’s most recent position was Executive Officer of the National Academy of Sciences and Chief Operating Officer of the National Research Council. He holds a Ph.D. in Theoretical Physics from the California Institute of Technology and was formerly a Professor of Physics at the University of Tennessee.

In a notice to staff, the State Department noted that the mission of the Office of the Science & Technology Adviser is “to serve the U.S. national interest by promoting global scientific and technological progress as integral components of U.S. diplomacy including building partnerships with the national and international scientific communities.”

OTHER

JUDGE RULES IN FAVOR OF ADMINISTRATION IN STEM CELL RESEARCH SUIT

U.S. District Judge Royce Lamberth ruled in favor of the Obama Administration on July 27 in the continuing lawsuit over federal funding of human embryonic stem cell (ESC) research,
dismissing the case brought by two adult stem cell scientists and allowing federal funding to continue unabated.

Judge Lamberth initially dismissed the case nearly two years ago for lack of standing on the part of the plaintiffs, but the Court of Appeals overturned that ruling last April. Upon reexamining the case, Lamberth surprised the research community by finding in favor of the plaintiffs and ordering an immediate halt of federal ESC funding through a preliminary injunction. The Court of Appeals then overturned the injunction, allowing funding to move forward, but consideration of the merits of the case remained in the lower court. Judge Lamberth ruled today on the merits of the case.

The plaintiffs presented two arguments in opposition to federal funding of ESC research. First, they argued that ESC research funding violated the Dickey-Wicker amendment, which is attached to the bill that funds NIH each year and forbids federal funds from being used for destruction of embryos. Judge Lamberth ruled that, because Dickey-Wicker is ambiguous and does not specifically apply to ESC, NIH’s interpretation that the provision allows funding of ESC research was reasonable. The plaintiffs’ second argument was that in promulgating guidelines for conduct of ESC research, in which public comment was requested on the content of the guidelines, NIH violated the Administrative Procedures Act because the agency ignored comments that stated the government should not fund ESC research at all. The judge found that NIH acted correctly in gauging those comments to be irrelevant, since the question asked was not whether the government should fund such research, but under what ethical guidelines it should move forward.

While this represents an important victory for the research community, it must be noted that there is still some cause for concern. The plaintiffs have 60 days to appeal the ruling, so there may be additional action in the lawsuit. In addition, as part of today’s ruling, Judge Lamberth reaffirmed the Court of Appeals finding which granted standing to the plaintiffs based on competitive disadvantage stating, “[b]ecause there is a fixed amount of money available for research grants, and because the Guidelines will increase the number of grant applications involving embryonic stem cells” the plaintiffs have a smaller pool of funds available to them for which to compete. This remains a troubling precedent, since it implies that decisions made by NIH to direct funding towards one type of research versus another could be subject to a lawsuit.

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