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NOTE: AAU’s office is moving to a new space across the hall today, September 23, so the office will close at 12:00 p.m. EDT. The AAU website, email, and telephones will be unavailable after noon today and possibly through the weekend. The new office will have the same suite number, #550.

CONGRESSIONAL SCHEDULE NEW

The House met today to consider a bill to delay implementation of certain Environmental Protection Agency emissions standards for power plants (HR 2401).

The Senate met to consider the FY12 continuing resolution (CR) approved last night by the House (see item below). Senate Democratic leaders have said they will not accept the House bill’s inclusion of spending offsets for disaster aid, however, so it remains unclear if a final FY12 CR will be approved today.

Congress is scheduled to be out of session next week for the Jewish holiday, but the chambers may need to remain in session this weekend or longer to work out a final deal on the CR.

BUDGET & APPROPRIATIONS

HOUSE PASSES FY12 CONTINUING RESOLUTION ON SECOND TRY NEW

The House last night approved the FY12 continuing resolution (CR) by a narrow vote of 219 to 203, after a first vote on the measure failed earlier this week. The seven-week CR is needed to keep the government running when the new fiscal year begins on October 1, while Congress continues work on FY12 appropriations.
In the earlier House vote, on September 21, the largely unified Democrats and 48 Republicans derailed the bill by a vote of 195 to 230. Democrats opposed the CR for providing too little disaster aid and requiring funding offsets for what aid was included, while a number of Republicans believed the measure failed to cut spending deeply enough. National Journal Daily reports that the new version of the CR contains an additional $100 million in offsets, targeting the energy loan guarantee program that funded the now-failed Solyndra solar energy company supported by the Obama Administration.

The new CR will be taken up today by the Senate, but Politico reports that even before last night’s House vote, Senate Democratic leaders said they would block the bill over disaster aid and the offsets, setting up a potential delay in the congressional recess. Politico describes the latest standoff between House Republicans and Senate Democrats as “the return of the same brinkmanship politics that so soured voters on Congress in the debt fight over the summer.”

The House-passed bill would fund government programs at their FY11 enacted levels, reduced by 1.409 percent across-the-board. This would bring funding down to the $1.043 trillion discretionary spending level set by the Budget Control Act (BCA), which was enacted in August. The BCA funding level for FY12 is $7 billion below FY11.

**HOUSE CR DOES NOT INCLUDE USPTO FIX; EFFORTS TURN TO SENATE  NEW**

The new patent reform law, enacted on September 16, creates many new tasks for the U.S. Patent and Trademark Office (USPTO). The work is to be funded by the agency’s significantly improved access to the fees that it collects.

However, without special language added to the CR—a so-called “anomaly”—USPTO will not have access to those added funds for the seven weeks of the CR. The House-passed CR does not contain the anomaly, so efforts are turning to the Senate.

The Senate is expected to take up the House-passed CR on Monday and amend that legislation. Efforts are underway to encourage Senate leadership and the chair and ranking member of the Senate Appropriations Committee to include the USPTO anomaly in the Senate version of the CR.

Failure to include the USPTO fee access language in the CR would create significant challenges for USPTO by forcing it to carry out its current and new administrative responsibilities with inadequate funding.

**SENATE APPROPRIATORS SPEED ACTION ON FY12 BILLS  NEW**

Since the August approval of the FY12 top-line discretionary spending total in the Budget Control Act, the Senate Appropriations Committee has been speeding through its FY12 appropriations bills. The full committee has marked up 11 of its 12 bills, with only the Interior and Related Agencies bill still to consider. The full Senate has passed just the Military Construction-Veterans appropriations bill.

The House Appropriations Committee also has approved 11 out of 12 of its FY12 funding bills, with the Labor-HHS-Education bill still to be considered. Six of the Committee’s funding bills have been approved by the full House.
The Senate Appropriations Committee approved its FY12 Labor-HHS-Education bill (S. 1599) on September 21 by a party line vote of 16 to 14, with no amendments. The committee report is now available (S. Rpt. 112-84). The bill would provide $30.5 billion for the National Institutes of Health (NIH), a reduction of $190 million from the FY11 level, and maintain the maximum Pell Grant award at $5,550 for the 2012-2013 school year. The full committee rejected on a party line vote of 16 to 14 an amendment offered by Senator Jerry Moran (R-KS) to add back the $190 million for NIH using an across-the-board cut in other programs. All Democrats voted against the amendment; all Republicans voted for it.

In order to maintain the Pell Grant maximum award at $5,550 and cover the existing shortfall, the subcommittee-approved bill would eliminate the in-school interest subsidy for undergraduate student loans during the six-month grace period. Borrowers would still have the six-month grace period before repayment begins, but they would be responsible for the interest that accrues during that time. The change would be made in loans issued after July, 2012. The Supplemental Education Opportunity Grant, Federal Work Study, TRIO, Javits and GAANN, and Title VI international education programs are level-funded.

The Committee report asks the Department of Education to submit a report by June 30, 2012, on how disclosure requirements for institutions under the Higher Education Act could be improved, including how technology could be used to evaluate more thoroughly compliance with the HEA. The report states that the “committee is concerned about the lack of useful, accurate and comparable information available to students regarding postsecondary education opportunities.” (The student financial aid section of the report begins on page 199.)

For NIH the bill includes creation of the National Center for Advancing Translational Sciences (NCATS) “as part of a broader restructuring at NIH that also includes the termination of the National Center for Research Resources.” Housed within NCATS would be the Cures Acceleration Network (CAN), which aims to “help speed the translation and application of discoveries that have shown signs of success at the laboratory level but have not advanced far enough to attract significant investments from the private sector.” CAN, which was authorized by the health care reform act, would be funded at $20 million. (The NIH section of the committee report begins on page 84.)

The FY12 Defense appropriations bill (HR 2219) approved last week by the Senate Appropriations Committee would freeze the Defense Department’s base FY12 budget at the FY11 level of $513 billion, but provide a near-seven percent increase for 6.1 basic research and more than a six-percent increase for 6.2 applied research.

The measure, approved in subcommittee on September 13 and in full committee on September 15, would provide $2.081 billion for basic research. This is $134.2 million, or 6.9 percent, above the FY11 level of $1.947 billion, and $2.8 million, or 0.1 percent, above the Administration's request of $2.078 billion.

AAU staff has summarized additional details of Defense research programs below.
For the broader Science & Technology (S&T) category, the Senate bill would provide $12.193 billion, an increase of $253.5 million, or 2.1 percent, above the FY11 level of $11.939 billion. S&T programs include defense-wide and military service funding for 6.1 basic research, 6.2 applied research, and 6.3 advanced technology development.

Within this total, applied research (6.2 programs) would receive $4.734 billion, a $281.4-million, or 6.3-percent, increase above the FY11 level of $4.453 billion. Advanced technology development (6.3 programs) would receive $5.377 billion, a $162.1-million, or 2.9-percent, cut from the FY11 level of $5.539 billion.

The breakout for 6.1 basic research and 6.2 applied research across the services is as follows:

- Army 6.1: $436.9 million, a $33.6 million or 8.3-percent increase over FY11;
- Army 6.2: $949.3 million, a $102.4 million or 12.1-percent increase over FY11;
- Navy 6.1: $587.4 million, a $31 million or 5.6-percent increase over FY11;
- Navy 6.2: $823.8 million, a $105.1 million or 14.6-percent increase over FY11;
- Air Force 6.1: $533.9 million, a $33.4 million or 6.7-percent increase over FY11;
- Air Force 6.2: $1.222 billion, a $23.8 million or 2-percent increase over FY11;
- Defense-wide 6.1: $523.3 million, a $36.4 million or 7.5-percent increase over FY11; and
- Defense-wide 6.2: $1.739 billion, a $50.1 million or 3-percent increase over FY11.

The bill would fund the National Defense Education Program at $86.6 million, a cut of $7.7 million or 8.2 percent below FY11.

The Minerva Initiative would be cut as a function of reductions to the Basic Research Initiatives line in the defense-wide 6.1 program. Additionally, the report states:

“Minerva.—The fiscal year 2012 budget request includes $24,700,000 to continue the Minerva program, an increase of $6,700,000 over amounts appropriated in fiscal year 2011. The Committee recommends fully funding the proposed expansion of Minerva Chairs at Defense education institutions, as well as the continuation of ongoing studies; however, the Committee notes the limited value of long-term studies for the warfighter and recommends no funding to initiate new studies.”

The committee report says the Defense Advanced Research Projects Agency would receive about $3 billion.

**AAU ASKS APPROPRIATORS TO FUND NEW MINERVA GRANTS IN FY12 DEFENSE SPENDING BILL**

AAU President Hunter Rawlings sent a letter to Senate Appropriations Committee leaders on September 22 urging them to sustain funding for new grants in the Defense Department’s Minerva social science research program in FY12. As discussed above, the Senate Committee’s report for the FY12 Defense appropriations bill specifically recommends no funding for new research studies under the program.

The Minerva program was initiated by former Defense Secretary Robert Gates to improve the Defense Department’s understanding of the social, cultural, behavioral, and political forces that shape regions of the world critical to U.S. interests. The letter says, “Without funding for new grants, Minerva will lose a critical capability that Secretary Gates sought to achieve by creating
this program—to tap into and benefit from social science expertise external to the Defense Department.”

UNIVERSITY LEADERS URGE PANEL TO REACH A BALANCED DEFICIT REDUCTION AGREEMENT

A group of more than 130 university presidents and chancellors wrote to the Joint Select Committee on Deficit Reduction on September 21 encouraging members to reach an agreement that reduces budget deficits and creates economic and job growth. The letter, led by AAU and the Association of Public and Land-grant Universities (APLU), urges members of the committee to reach “a big agreement – not incremental steps” while working to close the nation’s budget deficit.

As described in an accompanying press release, the university leaders also called on the committee to “reach a balanced agreement that reduces budget deficits, reins in the nation’s debt, and creates economic and job growth.” The budget agreement should focus on entitlement and tax reform, rather than further cuts to domestic discretionary spending, the university leaders said. Reductions to date have been from domestic discretionary expenditures.

The Joint Committee is a bipartisan, 12-member group has been tasked in the Budget Control Act approved in August with coming up with a plan by November 23 to reduce federal budget deficits by at least $1.5 trillion over 10 years. The panel’s recommendation would be voted up or down by both chambers, with no amendments or filibusters. If the committee cannot agree on a recommended package, or if Congress fails to pass the committee’s recommendation, that would trigger enactment of $1.2 trillion in automatic spending cuts, split between national security and domestic areas, including some entitlement spending.

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