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CONGRESSIONAL SCHEDULE   NEW

The House was in recess this week and is scheduled to meet next on Wednesday, May 30. The legislative program has not been announced.

The Senate met in pro forma session today and will reconvene for regular legislative business on Monday, June 4. The chamber at that time will consider a motion to proceed to legislation dealing with equal pay for women (S. 3220).

BUDGET & APPROPRIATIONS

PARTISAN BUDGET RHETORIC INTENSIFIES   NEW

The partisan political battle over the federal budget took some new turns this week. Senate Majority Leader Harry Reid (D-NV) told Politico that he was open to a grand compromise on federal spending and tax policies. He added, however, that absent an agreement by Republicans to include new revenues in such a deal, he would allow the $110 billion in spending cuts required by last year’s Budget Control Act (BCA) to go into effect on January 2. As reported by the publication, “…the former Vegas gaming commissioner is ready to risk tens of billions in automatic spending cuts in January rather than give in any longer to Republican demands that all deficit reduction come from domestic savings—with no revenues.”

Republican leaders fired back that not only would the BCA spending cuts to defense harm the nation’s security, but coupled with the year-end expiration of the Bush tax cuts, they would send the nation’s economy back into recession. They cited Defense Secretary Leon Panetta’s congressional testimony that the BCA cuts would severely damage national defense, and a new
report from the nonpartisan Congressional Budget Office which concludes that the end-of-year spending cuts and tax hikes would stall the economic recovery.

Senator Reid’s statement was prompted by House Speaker John Boehner’s statement last week that the House would not approve a debt-ceiling increase without more spending cuts. Given earlier House actions, that would imply that such cuts would come from nondefense programs. The discretionary spending level in the House-approved FY13 budget resolution adds $8 billion to defense, while cutting $27 billion from nondefense spending. Likewise, the House-passed budget reconciliation package would replace the year-end automatic cuts in defense and nondefense spending with cuts in Medicare, food stamps, social services, and other non-defense mandatory spending and entitlement programs.

SENATE REJECTS COMPETING PROPOSALS FOR FREEZING STUDENT LOAN INTEREST RATES NEW

The Senate yesterday voted to reject competing Democratic and Republican plans to postpone by one year the scheduled doubling of the 3.4-percent interest rate on subsidized federal student loans. While both sides agree that the interest rate should be frozen, they disagree on how to cover the $6 billion cost of the one-year extension. Even so, the expectation is that a final deal will be worked out before the July 1 deadline. CQ.com reports that such a compromise bill “already looks like the get-out-of-town vote on June 29.”

The Democratic plan (S. 2343) would pay for the one-year extension by eliminating a tax break for certain corporations; the Republican plan, which has already passed the House (H.R. 4628), would do so by eliminating funding for a preventive health fund created by the Affordable Care Act.

OMB ISSUES AGENCY BUDGET GUIDANCE FOR FY14

The White House Office of Management and Budget (OMB) on May 18 issued budget guidance for FY14 to federal departmental and agency heads. The memorandum directs agency leaders to submit budget requests that are five percent below “the net discretionary total provided for your agency for 2014 in the 2013 budget.” Agencies also are directed to submit a separate list of priority “addbacks” that would take the agency’s budget submission back up to the 2014 level in the 2013 budget. The OMB memorandum can be found here. OMB also issued a companion document on the use of evidence and evaluation in the 2014 budget.

OTHER CONGRESSIONAL ISSUES

SENATORS INTRODUCE “STARTUP 2.0” LEGISLATION

A bipartisan group of four Senators has introduced a new version of legislation aimed at bolstering economic growth by providing new tax benefits and easing regulations for startup companies, accelerating the commercialization of university research, and providing work visas for international students who earn advanced degrees in science and engineering fields at U.S. universities.

The measure, known as “Startup 2.0” (S. 3217), fuses the small business Startup Act legislation (S. 1965) introduced earlier by Senators Mark Warner (D-VA) and Jerry Moran (R-KS) with the
business-tax and immigration bill (S. 1866) introduced by Senators Chris Coons (D-DE) and Marco Rubio (R-FL).

AAU has taken no formal position on the legislation, as was the case with the earlier Startup bill. AAU views sections of the new legislation as generally positive, such as the visa provision for international students.

Despite improvements from the previous bill regarding commercialization of university research, the new bill retains the problematic provision that would fund two new Department of Commerce grant programs by taxing research funds at other major research agencies by .15 percent. AAU also is concerned that the bill would provide grants to institutions to “allow faculty to directly commercialize research in an effort to accelerate research breakthroughs.” AAU staff will continue working with the sponsors of the bill to modify the language of concern.

OTHER

NATIONAL ACADEMIES PUBLISHES REPORT ON PRODUCTIVITY IN HIGHER EDUCATION NEW

The National Academies has published a new report, Improving Measurement of Productivity in Higher Education, which provides detailed recommendations on the types of additional information colleges and universities should collect and report to make possible more accurate measurement of institutional quality in instruction. The variables include such areas as field of study, hours spent on instruction, and job placement of graduates. In order to track the success of graduates, the report also recommends implementing a national unit record database, a proposal that has been opposed by some in the higher education community because of student privacy concerns.

The National Academies panel, which was led by University of Virginia President Teresa Sullivan, is clear to point out that its decision to focus the report on the measurement of instructional productivity “is not intended as a comment on the relative importance of teaching, research, and public service for institutions with multiple missions.” The report adds, “just as the performance and progress of the instructional capabilities of institutions must be monitored, measures should be developed for assessing the value of the nation’s investment in research. Even for a purely instruction-based measurement objective, an improved understanding of faculty resource allocation to research is essential because time use is not fully separable, and because research intensities may affect the quality of teaching.” (page #S-3 of the report)

The report also says, “Given that quality assessment in higher education remains very much a work in progress, the panel is not prepared to recommend a single measure of quality for use in adjusting the productivity model’s output metric.” It adds, “…we do propose that effective quality assurance systems be maintained to ensure that output quality does not decline as a result of quantitative productivity measurements.” (page #5-15 of the report)

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