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CONGRESSIONAL SCHEDULE    NEW

The House today approved the FY13 Legislative Branch appropriations bill (H.R. 5882). The chamber will be out of session next week.

The Senate did not meet today. When the chamber reconvenes next week, it will consider the farm bill (S. 3240).

BUDGET & APPROPRIATIONS

HOUSE HAS APPROVED FIVE FY13 APPROPRIATIONS BILLS    NEW

The House and Senate continue to make slow but steady progress on the FY13 appropriations process.

The House has now approved five of its 12 appropriations bills for FY13: Commerce-Justice-Science, Energy and Water (see item below), Homeland Security, Legislative Branch, and Military Construction-Veterans. Three other FY13 appropriations bills have been approved in full committee: Defense, State-Foreign Operations, and Transportation-HUD; Agriculture and Financial Services have been approved at the subcommittee level.

The two House funding bills that have not been marked up in subcommittee are Interior-Environment and Labor-HHS-Education. CQ.com reports that there appears to be no immediate plan to mark up either bill. Rep. James Moran (D-VA), Ranking Member on the Interior
Subcommittee, told the publication, “I wouldn’t be surprised if the Interior and Labor-HHS bills are kept off the floor. They would take forever.”

The Labor-HHS-Education bill will be difficult to move for two reasons, writes CQ.com. With a budget of $150 billion, or $7 billion less than its FY12 level, the measure “is slated to absorb” a significant portion of the cuts needed to hold overall discretionary spending to the level approved in the House budget resolution. Moreover, the bill is likely “to become a forum for debate on funding for implementation of the health care law.”

The House FY13 budget resolution includes a cap on discretionary spending of $1.028 trillion, which is $15 billion less than the FY12 enacted level and $19 billion below the FY13 level agreed to in last year’s Budget Control Act (BCA). The House budget resolution would actually cut nondefense discretionary spending by about $27 billion in order to raise defense discretionary spending by $8 billion. Senate appropriators are using the higher BCA discretionary spending level.

In the Senate, the Appropriations Committee has approved seven of its 12 bills, but none has reached the Senate floor. Those approved by the full committee are: Agriculture, Commerce-Justice-Science, Energy & Water, Homeland Security, Military Construction-Veterans, State-Foreign Operations, and Transportation-HUD. Still pending in subcommittee are Defense, Financial Services, Interior-Environment, Labor-HHS-Education, and Legislative Branch.

The Senate Labor-HHS-Education bill is scheduled to be marked up in subcommittee next Tuesday, June 12.

**HOUSE APPROVES FY13 ENERGY AND WATER FUNDING BILL**  
NEW

The House of Representatives approved its version of the FY13 Energy and Water appropriations bill (HR 5325) on June 6 by a vote of 255 to 165. The measure would fund the Department of Energy (DOE) Office of Science at $4.8 billion, which the committee report says is $72 million below the FY12 level and $191 million below the President’s FY13 request. The Advanced Research Projects Agency-Energy (ARPA-E) would receive $200 million in the House bill, which is $75 million below FY12 and $150 million below the President’s FY13 request.

The FY13 Energy and Water bill approved by the Senate Appropriations Committee would fund the DOE Office of Science at $4.9 billion, which the committee press release says is $35 million above the FY12 level, and ARPA-E at $312 million, which is $37 million above the FY12 level.

**SENATOR REID OFFERS NEW PLAN FOR POSTPONING STUDENT LOAN RATE INCREASE**  
NEW

Republicans seem open to considering a new proposal by Senate Majority Leader Harry Reid (D-NV) to pay for the cost of postponing the doubling of student loan interest rates on July 1, reports CQ.com.
Senator Reid sent a letter on June 7 to Republican leaders proposing to pay for the measure by using some of the proceeds that would come from a change to rules for contributions to employer pension funds and an increase in employer premiums for the insurance provided by the Pension Benefit Guaranty Corporation. The two proposals would generate a total of $17.5 billion, reports CQ.com, which Senator Reid says would cover costs of both the one-year extension of the current 3.4-percent interest rate on subsidized student loans and the pending reauthorization of the surface transportation programs.

The issue has been at an impasse. The House on April 27 approved a measure (H.R. 4628) that would cover the one-year, $6 billion cost of extending the current interest rate by eliminating funding for a preventive health care fund in the Affordable Care Act. The Senate last month fell short of the 60 votes needed to pass a Democratic bill (S. 2343) that would have paid for the cost by eliminating a tax preference for certain small corporations. During consideration of that bill, the Senate also rejected a Republican amendment that matched the language of the House-passed bill.

SENATORS INTRODUCE AOTC REAUTHORIZATION BILL  NEW

Three Democratic Senators introduced legislation on June 6 that would consolidate and permanently reauthorize several higher education tax benefits, including the American Opportunity Tax Credit (AOTC) and the Lifetime Learning Credit (LLC). The six presidentially based higher education associations, including AAU, immediately endorsed the measure, the AOTC Permanence and Consolidation Act (S. 3267), in a letter to the three Senators the same day.

The bill, introduced by Senator Charles Schumer (D-NY) and co-sponsored by Senators John Kerry (D-MA) and Robert Menendez (D-NJ), would:

- Eliminate the need for two separate credits (AOTC and LLC) by creating a bifurcated credit: one for students enrolled at least half-time and one for students enrolled less-than-half-time.
- Increase the maximum credit to $3,000 (from $2,500 in AOTC/$2,000 in LLC) and make the credit permanent.
- Change the income phase-out. The current phase-out begins at $80,000/$160,000 and reaches zero at $90,000/$180,000; the new AOTC would begin its phase-out at the same place but end at $100,000/$200,000.
- Change lifetime limits from the number of years claimed (four years in the current AOTC) to the maximum monetary amount claimed ($15,000).
- Maintain the 40-percent refundability in the current AOTC.

OMB AND OSTP ISSUE MEMORANDUM ON S&T PRIORITIES IN THE FY14 BUDGET  NEW

The White House Office of Management and Budget (OMB) and the Office of Science and Technology Policy (OSTP) issued a memorandum to federal agencies on June 6 outlining the Administration’s science and technology priorities for the FY14 budget.
The memorandum addresses broad goals and says, “Because of the crucial government role in supporting research, in general agencies should give priority to funding for research above funding for development activities.”

OTHER

ACE RELEASES ACCREDITATION TASK FORCE REPORT  NEW

The American Council on Education (ACE) yesterday released the report of its task force on institutional accreditation, which urges the higher education community to strengthen and improve the quality and public accountability of the institutional accreditation process.

“Assuring Academic Quality in the 21st Century: Self-Regulation in a New Era” offers six major recommendations for how colleges and universities and regional accrediting agencies can ensure that accreditation meets its public accountability responsibilities in the context of the wide diversity of U.S. colleges and universities. These are:

1. Increase the transparency of accreditation and clearly communicate its results;
2. Increase the centrality of evidence about student success and educational quality;
3. Take prompt, strong, and public action against substandard institutions;
4. Adopt a more "risk-sensitive" approach to regional accreditation;
5. Seek common terminology, promote cooperation, and expand participation; and

The ACE task force was co-chaired by University of Richmond President Edward Ayers and AAU President Emeritus Robert M. Berdahl.

While the report recommendations are directed to higher education leaders and the accreditation community, the reforms also would further strengthen the argument against proposals to increase federalization of accreditation.

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