June 29, 2012

CONTENTS

CONGRESSIONAL SCHEDULE    NEW

BUDGET & APPROPRIATIONS
Rate Freeze on Student Loans Will Ride on Transportation Bill    NEW
House Continues Moving FY13 Appropriations Bills    NEW
Appropriations Comt. Approves FY13 Interior-Environment Bill with NEH Cuts    UPDATED

OTHER CONGRESSIONAL ISSUES
House Science Subcommittee Holds Hearing on Future of Research Universities    UPDATED

OTHER
Study Says Immigrants Vital to Innovation; University Presidents Urge Legislative Action
BIO Study Shows Economic Impact of University and Nonprofit Patents

CONGRESSIONAL SCHEDULE    NEW

Both the House and Senate met today to approve the conference report for the Surface Transportation Extension Act of 2012 (H.R. 4348), which also carried a flood insurance extension (H.R. 1309) and the one-year extension of the 3.4 percent interest rate on federally subsidized student loans (H.R. 4628) (see item below). The House also approved the FY13 Transportation-HUD appropriations bill (H.R. 5972).

Congress will be out of session next week for the July 4 recess. House Majority Leader Eric Cantor (R-VA) said on June 28 that when the House returns to session the week after next, the chamber will hold a vote on Wednesday, July 11, to repeal the Affordable Care Act, which the Supreme Court just ruled to be constitutional. The Senate will next hold roll call votes on Tuesday, July 10.

BUDGET & APPROPRIATIONS

RATE FREEZE ON STUDENT LOANS WILL RIDE ON TRANSPORTATION BILL    NEW

Legislation to prevent interest rates on federally subsidized student loans from doubling to 6.8 percent on July 1 (HR 4628) moved through Congress today as part of the conference agreement for the highway bill.
The student loan rate legislation is based on an agreement reached on June 26 by Senate Majority Leader Harry Reid (D-NV) and Minority Leader Mitch McConnell (R-KY). The measure would cover the $6-billion cost of extending the current 3.4 percent loan rate on new subsidized loans for one year by raising premiums for federal pension insurance, changing the method for determining how much money businesses must invest in their defined-benefit pension plans, and limiting students’ access to federally subsidized loans to 150 percent of their program length.

**HOUSE CONTINUES MOVING FY13 APPROPRIATIONS BILLS**  
NEW

The House Appropriations Committee this week approved the FY13 Interior-Environment appropriations bill (see item below), leaving only the Labor-HHS-Education bill to be considered. The House has approved six of the committee bills, including today’s passage of the FY13 Transportation-HUD measure.

The Senate Appropriations Committee has approved nine of its 12 bills. Still pending in subcommittee are Defense, Interior-Environment, and Legislative Branch. None of the Senate FY13 funding bills have been considered by the full Senate.

**HOUSE APPROPRIATIONS COMMITTEE APPROVES FY13 INTERIOR-ENVIRONMENT BILL WITH NEH CUTS**  
UPDATED

The House Appropriations Committee approved its FY13 Interior-Environment funding bill on June 28, with a significant funding cut for the National Endowment for the Humanities (NEH). There were no NEH amendments offered during the two-day full committee markup.

The bill would fund NEH at $132 million, a cut of $14 million, or 10 percent, from the FY12 level of $146 million. Within the total, funding for the competitively allocated national programs would be cut by 12 percent, while funding for state councils would be cut by six percent. The national programs most significantly affected would be research, preservation, and digital humanities.

Even as the bill would cut funding for the state councils, its report language urges NEH to maintain funding for them, to the extent possible. This presumably would mean further cuts to the national programs. The report also rejects the Administration’s proposed elimination of the We the People initiative, recommending that the program receive $3.5 million.

The National Endowment for the Arts was also funded at $132 million.

**OTHER CONGRESSIONAL ISSUES**

**HOUSE SCIENCE SUBCOMMITTEE HOLDS HEARING ON FUTURE OF RESEARCH UNIVERSITIES**  
UPDATED

The House Subcommittee on Research and Science Education held a hearing on June 27 to discuss the opportunities and challenges facing U.S. research universities, including the findings of the National Academies’ new report, “Research Universities and the Future of America.”
Those testifying were Charles Holliday, former CEO of DuPont and chair of the Academies panel that wrote the report; John Mason, Vice President for Research at Auburn University; Jeffrey Seemann, Vice President for Research at Texas A&M University; Leslie Tolbert, Senior Vice President for Research at the University of Arizona; and James Siedow, Vice Provost for Research at Duke University.

Subcommittee Chairman Mo Brooks (R-AL) said in his opening statement, “Particularly in today’s tough economic times, research universities play a vital role in America’s ability to maintain its competitiveness in an increasingly technologically developed world, and the knowledge and skills produced by our nation’s research university graduates provide the fuel for these endeavors.” Ranking Member Daniel Lipinski (D-IL), who noted his own experience as a faculty member at several major research universities, said in his opening statement, “Research universities’ contributions to the health, security, and prosperity of the American people cannot be overstated.”

All of the witnesses spoke about the important role of land-grant universities in scientific research and producing PhDs in the science, technology, engineering, and mathematics (STEM) fields. Mr. Holliday mentioned the importance of having the private sector more actively involved in research, and he and Dr. Mason both discussed the significance of a robust cyber-infrastructure. Dr. Seemann stressed the need to reduce research regulations as a means of fostering growth in university research, while Dr. Siedow discussed in detail how and why much of the cost of administering new or enhanced federal regulations has been borne directly by universities. He mentioned the recommendations for regulatory reform developed by AAU and the Council on Governmental Relations. Dr. Tolbert brought up a troubling statistic that suggests that Asia has recently outpaced the U.S. in research funding.

The hearing closed with a statement from Subcommittee Chairman Mo Brooks (R-AL) on the regulatory roadblocks to university research. He asked the witnesses to provide the panel with specific examples. Dr. Siedow said the task would be easy because AAU and the Council on Governmental Relations had already developed a list of examples.

OTHER

STUDY SAYS IMMIGRANTS VITAL TO INNOVATION; UNIVERSITY PRESIDENTS URGE LEGISLATIVE ACTION

The Partnership for a New Economy, a nonprofit group co-founded by New York City Mayor Michael Bloomberg to work on behalf of immigration reforms, has issued a report that argues for changing U.S. immigration policy to enable foreign-born innovators to remain in the United States. The study shows that in 2011 immigrants played a role in more than three out of four patents awarded to the top 10 patent-producing U.S. research universities.

To underscore the point, a group of more than 100 university presidents and chancellors sent a letter to President Obama and House and Senate leaders urging them to “work together to develop a bipartisan solution that ensures our top international graduates have a clear path to a green card, so they can stay and create new American jobs.”
A study commissioned by the Biotechnology Industry Organization (BIO) shows the significant economic effects of patent licensing by universities and nonprofit institutions. The report, “Economic Contribution of University/Nonprofit Inventions in the United States: 1996–2010,” says that during the 14-year period, university and nonprofit institution patent licensing had an impact on U.S. gross domestic product of as much as $388 billion and supported as many as three million jobs. It adds that in 2010 alone, academic and nonprofit institutions spun out 651 new companies.

“This report provides further evidence that America’s technology transfer system established by the Bayh-Dole Act of 1980 is a key underpinning of our innovation economy,” said BIO President and CEO Jim Greenwood in the press release accompanying the report. The press statement adds, “Bayh-Dole enables the patenting and commercialization of federally-funded university and nonprofit institution research. Bringing these discoveries from the lab to the marketplace creates new products, new jobs and new companies that expand the economy and improve the nation’s health and quality of life.”

End of document

Please visit us at www.aau.edu and follow us on Twitter at @AAUniversities.