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CONGRESSIONAL SCHEDULE

The House and Senate are in recess. Both chambers are scheduled to reconvene on Tuesday, November 13, following the elections.

BUDGET & APPROPRIATIONS

CONGRESS APPROVES FY13 CONTINUING RESOLUTION, GOES HOME

Early Saturday morning, September 22, the Senate gave final congressional approval to the FY13 continuing resolution (CR). The measure will fund government programs at largely their current levels for the first six months of FY13, October 1 – March 31.

The CR is based on the $1.047 billion FY13 spending level agreed to in last year’s Budget Control Act, but reflects an extra $8 billion from higher-than-expected federal revenues. Because of the extra funding, most appropriations accounts are 0.6 percent over what they would have been otherwise.

SENATE INTERIOR-ENVIRONMENT FUNDING BILL WOULD INCREASE NEH FUNDING

On September 25, the bipartisan leadership of the Senate Interior-Environment Appropriations Subcommittee released a draft FY13 funding bill which includes a funding increase for the National Endowment for the Humanities (NEH). The measure would provide NEH with $154...
million in FY13, which is the same as the Administration’s and the higher education community’s requests and $8 million above the FY12 level.

The Interior-Environment bill is the only FY13 funding measure that the Senate Appropriations Committee has not approved. Subcommittee Chair Jack Reed (D-RI) and Ranking Republican Lisa Murkowski (R-AK) said in a written statement, “While Congress has passed a short-term continuing resolution, we hope this final draft document will serve as a road map as discussions continue to finalize a responsible, balanced fiscal year 2013 appropriations bill.”

**AAAS ANALYSIS SHOWS POTENTIAL FIVE-YEAR R&D CUTS UNDER SEQUESTER  NEW**

The American Association for the Advancement of Science (AAAS) has issued a new report on the impact of the potential budget sequester on research and development (R&D) funding. The analysis shows that between FY13 and FY17, total federal R&D could be cut by at least $50 billion below the FY12 baseline. Under current sequester rules, the National Institutes of Health (NIH) could lose $11.3 billion, the Department of Energy Office of Science $309 million, the National Science Foundation (NSF) $2.1 billion, and Defense science & technology (accounts 6.1-6.3) $6 billion over the five-year period.

The AAAS analysis notes that although sequestration extends through FY21, “This analysis will extend through 2017, the last year for which OMB provides price deflators, thereby allowing us to adjust for inflation.”

The AAAS analysis includes the potential impact on federal R&D dollars by state, with 19 states losing at least $1 billion in funding for university and industry R&D over the five years. The greatest losses would be in California—with a potential cut of $11.3 billion—followed by Maryland, Virginia, Massachusetts, Pennsylvania, Texas, and New York.

Last year’s Budget Control Act imposed tight new spending caps for FY14-FY21. It also stipulated that if Congress and the Administration failed to enact a package reducing the federal deficit by an additional $1.2 trillion through FY21—which they did fail to do—across-the-board spending cuts would be imposed in FY13, beginning January 2, and the out-year spending caps would be further reduced.

**CRS REPORT DETAILS HIGHER EDUCATION TAX BENEFITS  NEW**

The Congressional Research Service (CRS) has prepared a new report on higher education tax benefits. The 11-page report presents a short history of federal higher education tax policy over the past 60 years, summarizes the features of the 14 tax benefits currently available to students and families to help them pay for higher education, and estimates the budgetary impacts of each of those provisions.

The introduction to the report notes, “The Joint Committee on Taxation estimates the cost to the federal government of education tax benefits—the revenue foregone from offering these benefits—to be $78.9 billion between 2011 and 2015.”
NSF BOARD EXPRESSES CONCERN ABOUT DECLINES IN PUBLIC RESEARCH UNIVERSITY FUNDING

In a report issued on September 25, the National Science Board (NSB), which acts as a board of directors for the National Science Foundation, expresses concern that declines in state funding “threaten the ability of major public research universities to educate new scientists and engineers, recruit and retain the best faculty and students, and continue performing top-quality research.”

The report, “Diminishing Funding and Rising Expectations: Trends and Challenges for Public Research Universities,” asserts that state per-student funding for the nation’s 101 public research universities declined by an average of 20 percent in inflation-adjusted dollars between 2002 and 2010, even as enrollment grew by nearly 13 percent. Ten states reduced their funding of major public research universities between 30 percent and 48 percent over the period, while six states increased their funding. The report notes, “The deep state cuts contributed to increases in tuition and fees that have outpaced both inflation and the comparable increases at private universities.”

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