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CONTENTS
CONGRESSIONAL SCHEDULE  NEW
BUDGET & APPROPRIATIONS
Sequester Set to Kick in as President Meets with Congressional Leaders  UPDATED
Senate Fails to Approve Alternative Sequester Plans  UPDATED
AAU President Testifies at Senate Hearing on Federal Investments and the Sequester
Universities Continue to Urge Lawmakers to Avoid the Sequester  NEW
House Expected to Vote Next Week on FY13 CR Extension  NEW

CONGRESSIONAL SCHEDULE  NEW
The House met in pro forma session today, with no votes; the Senate did not meet. Both chambers will reconvene on Monday, March 4.

BUDGET & APPROPRIATIONS
SEQUESTER SET TO KICK IN AS PRESIDENT MEETS WITH CONGRESSIONAL LEADERS  NEW
With no agreement in sight, the $85 billion in across-the-board budget cuts under the sequester for FY13 will go into effect tonight at midnight when the President issues the sequester order. President Obama met with congressional leaders today to discuss how to avoid the sequester, but, as expected, there was no sign of a breakthrough.

The Senate yesterday rejected two alternative sequester plans (see next item below), neither of which had been expected to pass. The next opportunity to address the sequester is likely to be the extension of the continuing resolution (CR), which expires on March 27. (The FY13 CR is the stop-gap funding measure that has extended funding for most government programs at their FY12 levels.) That expectation was strengthened this week by reports that the impact of the sequester on government services may not be felt by the general public for several weeks, as agencies only now begin issuing 30-day notices of employee furloughs and sharing plans for reducing their spending.

The imposition of the sequester is required under the Budget Control Act of 2011. The original estimated across-the-board cuts in FY13 under the sequester were 9.4 percent for defense discretionary spending and 8.2 percent for nondefense discretionary spending. The fiscal cliff agreement signed on January 2 lowered those percentages to an estimated 7.3 and 5.1 percent,
respectively. However, because those reductions would be allocated over the last seven months of FY13, the White House Office of Management and Budget has told federal agencies that the actual percentage cuts are 13 percent for defense and nine percent for nondefense.

**SENATE FAILS TO APPROVE ALTERNATIVE SEQUESTER PLANS  UPDATED**

The Senate on February 28 debated and rejected the Democratic and Republican plans to address the pending budget sequester, neither of which received the 60 votes needed to pass. As *CQ.com* reported at the time, the two votes “were designed to help the parties position themselves for negotiations after the budget cuts take hold tomorrow.”

Senate Democrats offered a $110-billion replacement plan (S. 388), divided equally between spending cuts and additional revenues. The $55 billion in savings would come from $27.5 billion in cuts from defense after FY14 and $27.5 billion in cuts to agricultural subsidies. For added revenue, the package would set a minimum effective tax rate for the wealthy and increase taxes on the oil sands industry.

The Republican alternative (S. 16), would have given the President authority to reallocate the $85 billion in FY13 sequester cuts among programs, as long as he did not change the ratio of defense to non-defense cuts. The measure required the White House to come back to Congress by March 15 with a plan, reports *Politico*, which Congress could overrule by a two-thirds majority vote in both chambers. Supporters of the plan argued that it would ensure that the sequester cuts actually happened, while others expressed concern that the plan would cede too much congressional spending authority to the executive branch.

**AAU PRESIDENT TESTIFIES AT SENATE HEARING ON FEDERAL INVESTMENTS AND THE SEQUESTER**

AAU President Hunter Rawlings testified at a hearing of the Senate Budget Committee on February 26, whose goal was to examine “federal investments on families, communities, and long-term and broad-based economic growth” and the likely impact of the sequester.

In his written testimony, President Rawlings addressed federally funded university research and student financial aid. He said, in part:

"Federal support for research and student financial aid laid the foundation for the dramatic expansion of the 20th century U.S. economy and can do the same in the 21st century. These investments produce the educated people and the ideas that lead to new products, new businesses, and entire new industries, as well as to the jobs that go with them. Cutting these investments in our future is not the way to solve our nation’s deficit problem. Such cuts would undermine economic growth that is essential to deficit reduction. Yet that is exactly what the sequester will do. To put it kindly, this is an irrational approach to deficit reduction. To put it not so kindly, it is just plain stupid.”

**UNIVERSITIES CONTINUE TO URGE LAWMAKERS TO AVOID THE SEQUESTER  NEW**
With the sequester set to go into effect, universities around the country continue to urge policymakers to take action to avoid its large funding cuts.

A new set of video messages released on February 28 by ScienceWorksForU.S., the fourth in the series, features university chancellors, research officers, faculty, and students discussing the potential effects of the drastic budget cuts on their work. They urge Members of Congress to find alternatives to the sequester.

The video editorials have been released by ScienceWorksForU.S. throughout February. The goal is to impress upon lawmakers the importance of finding deficit reduction solutions that allow the country to continue to invest in basic scientific and medical research and other things that contribute to economic growth, security, and health.

ScienceWorksForU.S. is a project of AAU, the Association of Public and Land-grant Universities (APLU), and The Science Coalition (TSC).

The University of California (UC) system on February 26 sent members of the California congressional delegation a letter urging them to redouble their efforts to reach an agreement between Congress and the Administration to stop the sequester. “As our nation’s economy recovers,” said the letter, “we must not cut funding to the education and research programs that are moving California and our nation forward.” A fact sheet accompanying the letter said the sequester could cost UC scientific research $335 million in FY13.

HOUSE EXPECTED TO VOTE NEXT WEEK ON FY13 CR EXTENSION NEW

House appropriators have developed, and the House is expected to vote on next week, a CR for the remaining months of FY13. The measure is expected to incorporate the sequester cuts, but provide the Departments of Defense and Veterans Affairs with full-year budgets already negotiated between the House and Senate Appropriations Committees. The across-the-board cuts would still apply to those agencies, reports Politico, but the agencies could make cuts from an updated funding plan. The publication notes that because CRs are “inherently rigid and outdated because they ‘continue’ funding from the prior year,” working from an updated budget plan allows an agency to better manage its resources, including allocating spending cuts.

Senate Democrats do not oppose giving the two agencies such flexibility, reports Politico, but believe it should be extended to domestic agencies as well. Senate Majority Leader Harry Reid (D-NV) said on Thursday, however, that Senate Democrats would wait to see what the House does with the CR before making decisions about how they would proceed.

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