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CONGRESSIONAL SCHEDULE  NEW

The House and Senate were out of session today, and both chambers will reconvene on Monday, July 15. The House next week will consider several bills, possibly including the FY14 Defense appropriations bill (H.R. 2397).

In the Senate, Majority Leader Harry Reid (D-NV) may move to change Senate rules to require only a simple majority, rather than 60 votes, to approve executive nominations. Also next week, Senator Reid may renew the motion to proceed to the Keep Student Loans Affordable Act of 2013 (S. 1238), which failed to achieve cloture earlier this week (see item below).

BUDGET & APPROPRIATIONS

HOUSE AND SENATE CONTINUE WORK ON FY14 APPROPRIATIONS  NEW

The House and Senate continue work on their respective FY14 appropriations bills, with little expectation that an overall budget agreement will be reached until late in the year.

The two chambers are working with FY14 discretionary spending levels that are $91 billion apart. The Senate is using a higher spending total that assumes that the budget sequester for FY13 and beyond will be lifted; the House is using a lower total that assumes that the sequester
will continue in FY14 and which shifts the bulk of its cuts to non-defense agencies and programs.

At this writing, the House has approved three out of its 12 appropriations bills for FY14: Energy-Water, Homeland Security, and Military Construction-Veterans Affairs. The House Appropriations Committee has approved three additional bills: Agriculture, Defense, and Transportation-HUD, and its subcommittees have approved three more bills: Commerce-Justice-Science, Financial Services, and Legislative Branch. (Commerce-Justice-Science and Financial Services will be marked up in full committee on July 17.) There has been no action on the Interior-Environment, Labor-HHS-Education, and State-Foreign Operations bills.

The Senate has approved none of its 12 appropriations bills for FY14. The Appropriations Committee has approved six bills: Agriculture, Energy-Water, Labor-HHS-Education, Legislative Branch, Military Construction-Veterans Affairs, and Transportation-HUD. Commerce-Justice-Science and Homeland Security will be marked up in their respective subcommittees on July 16 and in the full committee on July 18. The committee has not yet acted on the Defense, Financial Services, Interior-Environment, and State-Foreign Operations bills.

--AAU Has Updated Its FY14 Funding Priorities Table  NEW

AAU has updated its FY14 Funding Priorities table to reflect recent developments in both House and Senate appropriations. The chart can be found here on the AAU website.

HOUSE APPROVES FY14 ENERGY AND WATER APPROPRIATIONS BILL  NEW

The House today approved its version of the FY14 Energy and Water appropriations bill (H.R. 2609), which provides $30.4 billion overall, a cut of $2.9 billion from the FY13 enacted, pre-sequester level, and $4.1 billion below the President’s FY14 request.

Within that context, the measure would provide $4.7 billion for the Department of Energy Office of Science, a cut of $223 million from the FY13 enacted, pre-sequester level. The committee-approved bill slashed funding for the Advanced Research Projects Agency-Energy (ARPA-E) by $215-million, or 81 percent, to $50 million. A floor amendment accepted by voice vote added back $20 million to ARPA-E, for a total of $70 million.

SENATE APPROPRIATIONS BILL WOULD INCREASE NIH, PELL GRANT FUNDING IN FY14  UPDATED

The Senate Appropriations Committee approved its FY14 Labor-HHS-Education funding bill (S. 1284) on July 11, using an allocation that the Committee press release says is nearly $44 billion more than the comparable House subcommittee allocation, a difference of about 26 percent. (The Senate Appropriations Committee is working with $91 billion more in overall FY14 discretionary spending than the House Appropriations Committee.)

NOTE: The committee generally compares its proposed FY14 funding levels to the FY13 enacted levels, which were approved before the across-the-board cuts under the sequester were imposed. Where possible, the FY13 post-sequester funding levels are also included below.
For the National Institutes of Health (NIH), the Senate bill would increase funding to $31 billion, which is $307 million more than the FY13 enacted, pre-sequester level and $1.8 billion more than the FY13 post-sequester level. The Senate total for NIH includes $40 million for the Administration’s new brain research initiative, an additional $84 million for Alzheimer’s disease research in the NIH Institute on Aging, and $50 million for the Cures Acceleration Network, which the committee press release says is five times the FY13 pre-sequester spending level.

For higher education, the subcommittee-approved measure would set the discretionary portion of the Pell Grant maximum award at $4,860. When combined with mandatory funding, the total maximum award would rise by $140 to $5,785 for school year 2014-15, as the Administration requested. Additional details in the bill are as follows.

- The Graduate Assistance in Areas of National Need program would be level-funded at the FY13 enacted, pre-sequester level of $30.9 million.
- Title VI International Education programs would receive $80.9 million, as requested, an increase of about $7 million above the FY13 enacted, pre-sequester level.
- The Administration’s Race to the Top initiative on college affordability and completion would receive $250 million, compared to the $1 billion request. The bill originally provided $400 million for the initiative, but the committee approved an amendment offered by Jack Reed (D-RI) that transferred $150 million of that total to the Low Income Home Energy Assistance Program.
- The TRIO programs would be funded at $850 million, which is $10 million more than the President’s request and $11.7 million more than the FY13 enacted, pre-sequester level.
- GEAR UP would receive $307 million, which is $5 million more than the request and about $5.5 million above the FY13 enacted, pre-sequester level.
- Supplemental Education Opportunity Grants would be level-funded at the FY13 enacted, pre-sequester level of $733 million.
- Statewide data systems would receive $75 million, which is $10 million less than the request but a near-doubling of the FY13 enacted, pre-sequester level.

--AAU Issues Statement Thanking Senate Appropriators  

AAU President Hunter Rawlings, in a statement issued by AAU on July 11, thanked Senate appropriators for approving an FY14 Labor-HHS-Education funding bill that “increases funding for a host of important research and education programs, particularly for the National Institutes of Health (NIH) and Pell Grants.” He added, “We cannot let these and other similar investments in scientific research and student aid be squeezed out by the arbitrary sequestration that grows more destructive the longer it is kept in place.”

HOUSE SUBCOMMITTEE APPROVES FY14 COMMERCE-JUSTICE-SCIENCE FUNDING BILL  

The House Commerce-Justice-Science Appropriations Subcommittee on July 10 marked up its FY14 funding bill with a total funding allocation of $47.4 billion, which a committee press release says is $2.8 billion below the FY13 enacted level and $350 million below the FY13 post-
The bill will be marked up in the full House Appropriations Committee on Wednesday, July 17.

Within the overall total in the bill, the subcommittee approved $7 billion for the **National Science Foundation** (NSF), which the committee press release says is $259 below the FY13 enacted level and $631 million below the President’s FY14 request. Within the NSF total, the subcommittee would provide $5.68 billion for Research and Related Activities, $825 million for Education and Human Resources, and $182.6 million for Major Research Equipment and Facilities Construction.

For **NASA**, the bill would provide overall funding of $16.6 billion, which is the same amount that the space agency received in 2007. The total includes $4.8 billion for the Science directorate, $566 million for Aeronautics, $576 million for Space Technology, and $122 million for Education. Within the education total, $24 million would be allocated for the National Space Grant College program.

**HIGH COST ESTIMATE STYMIES SENATORS’ AGREEMENT ON STUDENT LOAN INTEREST RATE FIX**

Earlier this week, a bipartisan group of Senators reached a tentative agreement on a plan to create a permanent fix for student loan interest rates, which they had hoped would break the longstanding congressional impasse over this issue. But the group now must reconfigure its plan because the Congressional Budget Office has determined that the proposal would cost the government $22 billion over 10 years. The group had hoped the plan would be near deficit-neutral so that it could attract sufficient votes for passage.

The Senators’ market-based plan was similar to the plan offered by the Administration and modified and approved by the House (H.R. 1911), but included a rate cap that House and Senate Democrats wanted. Specifically, the plan would have pegged the rates for federally subsidized and unsubsidized loans for undergraduates at the 10-year Treasury bond yield plus 1.8 percent, with rates for graduate students at plus 3.4 percent, and for parents at plus 4.5 percent. The rates would have been capped at 8.25 percent for undergraduates and at 9.25 for graduate student and parent loans. The new rates were to apply retroactively to loans taken out after July 1, when the rates doubled to 6.8 percent after Congress failed to act to prevent the increase.

While the Senate group reconsiders its plan, Senate Majority Leader Harry Reid (D-NV) has announced that he may renew next week the motion to proceed to the Senate Democratic leadership’s bill, Keep Student Loans Affordable Act of 2013 (S. 1238). That measure, which failed to reach the 60-vote threshold for cloture on July 10, would return student loan rates to 3.4 percent for a year while broader negotiations over the issue continue.

**EXECUTIVE BRANCH**

**AAU AND COGR COMMENT ON PROPOSED CHANGES IN EXPORT CONTROL REGULATIONS**
AAU and the Council on Governmental Relations (COGR) submitted comments to the U.S. Departments of Commerce and State on July 8, expressing general support for proposed changes in export control policies but noting concerns about some of the specific details. Export controls are one means by which the federal government seeks to protect certain scientific information and technologies relevant to national security from disclosure to foreign governments.

In comments submitted to the Department of Commerce, the two associations expressed strong support for transferring regulatory control of spacecraft systems and related items from the U.S. Munitions List to the generally less restrictive Commerce Control List (CCL). AAU and COGR had actively promoted this change, which was included in the final FY13 National Defense Authorization Act, in order to improve the ability of universities to conduct space science research and to train students in related subjects. In their comments on the proposed changes, however, the associations noted with concern that the expansive definition of “use” in the new CCL provisions may impose substantial additional compliance burdens on universities without improving either compliance or national security.

In the comments submitted to the State Department, COGR and AAU focused their attention on the definition of “defense services” under the International Traffic in Arms Reduction (ITAR) regulations, strongly supporting the proposal to remove the use of public domain information from that definition.

This change, they said, would “allow U.S. university researchers to collaborate with foreign national students, colleagues, or sponsors on projects related to defense articles so long as they are relying on published information or information developed through fundamental research,” without the need for Technology Control Plans (TCPs) or authorization from the State Department’s Directorate of Defense Trade Controls. The associations pointed out, however, that several types of collaborations labeled defense services included no public domain exemption, with no clear rationale for drawing distinctions among types of services and activities.

--AAU Responds to DOE Export Control Proposal

AAU and COGR also responded on July 11 to a Department of Energy (DOE) proposal to add new export control requirements to current Department of Energy Regulations (DEAR).

The DOE proposal, published in the Federal Register on June 12, 2013, provides that an Export Restriction Notice “…be included in all transfers, sales or other offerings of unclassified information, materials, technology, equipment or software” which states that the “use, disposition, export, and re-export of this property are subject to export control laws, regulations and directives….”

In their comments, AAU and COGR expressed concern about the breadth of the DOE proposal, noting that it could be interpreted to extend far beyond the management of high-risk, government-owned personal property to any DOE contract involving unclassified information, material, technology, equipment or software. The two associations urged that DOE “…reconsider and clarify that the Notice requirement is not intended to apply to the publication or dissemination of the results of fundamental research conducted under DOE contracts not otherwise subject to export controls, or to the transfer of information about the research.”
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