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CONGRESSIONAL SCHEDULE   NEW

The House met today to complete consideration of legislation to reauthorize the Elementary and Secondary Education Act (H.R. 5); the Senate met in pro forma session with no legislative business.

The House will reconvene on Monday, July 22, and will consider several measures over the course of the week, including the FY14 Defense appropriations bill (H.R. 2397). When the Senate reconvenes on Tuesday, July 23, the chamber will begin consideration of its first FY14 appropriations bill, Transportation-HUD (S. 1243) and may also consider student loan interest rate legislation (see item below).

BUDGET & APPROPRIATIONS

SENATE AND HOUSE APPROPRIATORS MOVE FY14 COMMERCE-JUSTICE-SCIENCE BILLS   UPDATED

The House and Senate appropriations committees this week have been marking up their respective FY14 Commerce-Justice-Science (CJS) funding bills with widely different spending totals for two key science agencies, the National Science Foundation (NSF) and NASA.

The Senate Appropriations Committee yesterday approved its FY14 CJS bill (S. 1329) with a total of $52.3 billion, or nearly $4.9 billion more than the House CJS total. Funding for NSF is
$400 million above the House FY14 level and funding for NASA is $1.4 billion above the House level.

For NSF, the Senate bill provides $7.4 billion, which the committee press release says is $186 million above the FY13 enacted, pre-sequester level and $119.8 million below the Administration’s FY14 request. Within the total, the measure would provide $6 billion for Research and Related Activities, $880 million for Education and Human Resources, and $210 million for Major Research Equipment and Facilities Construction.

For NASA, the Senate bill provides $18 billion, which is $503.6 million above the FY13 enacted level and $295 million above the FY14 budget request. Within the NASA total, the measure would provide $5 billion for the Science directorate, $558 million for Aeronautics, $670 million for Space Technology, and $116 million for Education. The bill includes $40 million for the Space Grant College program and “directs NASA to prioritize funding for State consortia that did not receive forward funding in fiscal year 2012.”

In contrast, the House Appropriations Committee on July 17 approved its CJS bill with a total of about $47 billion, which the committee press release indicates is $2.8 billion less than the FY13 enacted level and $350 million below the FY13 post-sequester level.

The House bill includes $7 billion for 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 measure 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 House 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.

--AAU Issues Statement Thanking Senate Appropriators for NSF, NASA Funding NEW

AAU President Hunter Rawlings, in a statement issued by AAU on July 19, thanked Senate appropriators for approving an FY14 Commerce-Justice-Science funding bill with increased funding for NSF and NASA. “These investments are vital to the nation’s ability to maintain its global scientific and economic leadership, to explore and better understand the world around us and beyond, and to educate the next generation of scientists and engineers,” said the statement.

The AAU statement also expressed disappointment that the House has chosen to maintain the budget sequester in FY14. “These cuts are harming the science agencies, including NSF and NASA, despite the continuing efforts of the subcommittee to give priority to these programs, which many Members from both parties have long supported for their contributions to national, regional, and local scientific, economic, and educational activities.”
APPROPRIATORS WEIGH IN ON ADMINISTRATION’S STEM EDUCATION CONSOLIDATION PROPOSAL  NEW

The House and Senate appropriations committees have used their FY14 CJS funding bills to address the Administration’s proposal to consolidate federal science, technology, engineering, and mathematics (STEM) programs and activities.

In the committee report for each bill (S. 1329, no House number), committee leaders say they appreciate that consolidation could lead to greater efficiencies and better coordination in STEM education among federal agencies, but they question whether the Administration’s restructuring proposal is the most effective way to do so. Both committee reports also express concern about the impact of the proposed consolidation plan on agency-specific fellowships and scholarship programs. (The pertinent report language is on page 102 of the Senate report and on page 8 of the House report.)

Reflecting these concerns, the House Appropriations Committee report says it opposes the Administration’s STEM education consolidation plan and allows no funding provided in the bill to be used to implement it. The Senate panel requires the Administration to defer action on its consolidation proposal until a complete assessment of the proposal can be done, with consultation from federal agencies and the non-federal education and outreach communities. The Senate report also expresses particular support for agency-specific STEM education programs at NASA, the National Oceanic and Atmospheric Administration, and the National Institute of Standards and Technology.

SENATORS INTRODUCE NEW PLAN TO REDUCE STUDENT LOAN INTEREST RATES  NEW

A bipartisan group of Senators has reached agreement on a plan to create a permanent fix for student loan interest rates, which doubled to 6.8 percent on July 1 because policymakers earlier had been unable to reach a compromise. A Senate vote on the plan could come as early as July 23, reports CQ.com. House Republican and Democratic leaders appear cautiously supportive of the measure, says the publication, but indicate that they will wait to see what is approved by the Senate and sent to the House. CQ.com adds that Senate supporters have said the White House supports the Senators’ deal.

The Bipartisan Student Loan Certainty Act (S. 1241) is similar to the market-based plan offered by the Administration and modified and approved by the House (H.R. 1911), but includes a rate cap that House and Senate Democrats wanted. The new plan also would lock in the interest rate when a loan is first made, rather than allowing the rate to vary over the life of the loan, as in the House-passed bill.

The bill would peg the interest rate for federally subsidized and unsubsidized loans for undergraduates at the 10-year Treasury bond yield plus 2.05 percent, with rates for graduate students at plus 3.6 percent, and for parents at plus 4.6 percent. The rates would be capped at 8.25 percent for undergraduates, at 9.5 for graduate students, and at 10.5 percent for parents. For undergraduates this fall, the loan rate would be 3.86 percent.
The rates in the bill are slightly higher than those in the tentative deal worked out last week, which the Senate group scotched when the Congressional Budget Office determined that it would cost the federal government $22 billion over 10 years. The new plan would save the government $715 million over 10 years.

### OTHER CONGRESSIONAL ISSUES

**GROUPS THANK HOUSE MEMBERS FOR INTRODUCING HIGHER EDUCATION REGULATORY RELIEF BILL**

A group of seven higher education associations, including AAU, sent a letter to three House Members on July 15 thanking them for introducing legislation to repeal three higher education regulations that the associations say are “complex, confusing, and burdensome and have raised challenging compliance issues for institutions.”

The “Supporting Academic Freedom through Regulatory Relief Act” (H.R. 2637) would repeal Department of Education regulations dealing with gainful employment, “state authorization,” and the definition of “credit hour.” As described by the associations, these regulations “are highly problematic and have the potential to create far-reaching, negative consequences for higher education.” They added, “Congress should have the opportunity to carefully consider these issues and make its will known before additional rulemaking occurs on these topics.”

H.R. 2637 was introduced by Reps. Virginia Foxx (R-VA), chair of the House Subcommittee on Higher Education and Workforce Training; John Kline (R-MN), chair of the House Education and the Workforce Committee; and Alcee Hastings (D-FL). The committee has not yet indicated when the bill will be considered.

### EXECUTIVE BRANCH

**ASSOCIATIONS COMMENT ON PROPOSED HEALTH CARE REGULATIONS ON STUDENT EMPLOYEES**

A group of nine higher education associations, including AAU, has sent a letter to the U.S. Treasury Department regarding the treatment of campus student employees in proposed regulations dealing with employee health insurance under the Affordable Care Act (ACA).

The associations ask that the Department in developing the final regulations, “carefully balance the competing concerns of student access to higher education, the central goal of federal higher education policy, and the goal of the ACA to ensure broad access to sufficient, affordable health insurance coverage.” The organizations propose “safe harbors” for higher education that would address the variety of ways in which college students receive health care coverage, as well as the unique ways in which students are employed on campus, in internships, and in cooperative education programs.

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