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CONTENTS
CONGRESSIONAL SCHEDULE  NEW
BUDGET & APPROPRIATIONS
Senate Approves Student Loan Bill  UPDATED
--Higher Education Associations Urge Senators to Support Student Loan Bill
House Panel Would Cut NEH Funding In Half
OTHER CONGRESSIONAL ISSUES
House Education Committee Approves Regulatory Relief Bill  NEW
House and Senate Panels Address NASA Reauthorization
AAU Offers Guiding Principles for NASA Reauthorization
House Subcommittee Holds Hearing on Proof of Concept Discussion Draft  NEW
EXECUTIVE BRANCH
NIH Encourages Campuses to Create Development Plans for Graduate Students, Post-Docs
OTHER
United for Medical Research Publishes Report on Role of NIH in U.S. Economic Growth  NEW

CONGRESSIONAL SCHEDULE  NEW

The House met in pro forma session today; the Senate did not meet.

When the Senate reconvenes on Monday, July 29, it will resume consideration of the FY14 Transportation-HUD appropriations bill (S. 1243). The House will return to session on Tuesday, July 30, but no floor schedule has been announced at this writing.

BUDGET & APPROPRIATIONS

SENATE APPROVES STUDENT LOAN BILL  UPDATED

The Senate on July 24 approved the Bipartisan Student Loan Certainty Act of 2013 (S. 1334), legislation aimed at creating a long-term fix for student loan interest rates. The vote was 81 to 18. The White House issued a statement of support. House Majority Leader Eric Cantor (R-VA) said the House would vote on the bill next week.

During consideration of S. 1334, the Senate rejected two amendments, one offered by Senators Jack Reed (D-RI) and Elizabeth Warren (D-MA) that would have set lower interest rate caps,
and another offered by Senator Bernie Sanders (I-VT) that would have sunset the new rates after two years.

The Senate-passed bill 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 on a loan when it 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, for unsubsidized loans for graduate students at plus 3.6 percent, and for PLUS loans for parents and graduate students at plus 4.6 percent. The rates would be capped at 8.25 percent for undergraduate loans, at 9.5 for unsubsidized graduate student loans, and at 10.5 percent for PLUS loans for parents and graduate students. 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 by a bipartisan group of Senators earlier in the month, which had to be reworked 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.

Responding to concerns raised by several Democrats that S. 1334 would raise student loan interest rates over the long term, Senator Tom Harkin (D-IA), chair of the Senate Health, Education, Labor, and Pensions Committee, said he expected to revisit the issue during reauthorization of the Higher Education Act.

--Higher Education Associations Urge Senators to Support Student Loan Bill

A group of higher education associations, including AAU, sent a letter to all Senators on July 23 encouraging them to vote in favor of S.1334.

The associations’ letter commends the Senate for reaching a bipartisan compromise, and it notes that the bill is likely the best short-term approach to the current impasse over student loan rates. The letter also highlights several beneficial provisions in the legislation, including lower rates in the short term for all borrowers, a cap on loans rates, a fixed interest rate over the life of a loan, and establishment of a link between student loan interest rates and general economic conditions.

The associations express concern, however, that using a market-based system could lead to significant future increases in loan rates, and that, for the first time, loan rates for graduate and professional students would be higher than the rates for undergraduates. The associations ask Congress to restore equal treatment of graduate student loans at the earliest possible opportunity.

HOUSE PANEL WOULD CUT NEH FUNDING IN HALF

The House Interior-Environment Appropriations Subcommittee on July 23 approved its FY14 funding bill with significant cuts to several programs, including a 49-percent cut for the National Endowment for the Humanities (NEH). NEH and the National Endowment for the Arts would each be funded at $75 million, a reduction of $71 million from their FY13 enacted, pre-sequester levels.
Subcommittee Chairman Mike Simpson (R-ID) said in his prepared opening statement that he expected to “take a lot of heat” over some of the budget cuts in the bill. “[M]y intent is to show what happens when Congress allows mandatory spending to grow and grow and places the burden of spending cuts solely on the discretionary side. It’s an unsustainable pattern that must be addressed—and very soon.” Chairman Simpson added, “This is the beginning of a long process and I hope over the coming months we’ll all come together to find common ground.”

The overall Interior-Environment bill was allocated $24.3 billion, a cut of $5.5 billion from the FY13 enacted level and $4 billion below FY13 post-sequester funding. A date for markup in the full House Appropriations Committee has not been announced.

OTHER CONGRESSIONAL ISSUES

HOUSE EDUCATION COMMITTEE APPROVES REGULATORY RELIEF BILL

NEW

The House Education and the Workforce Committee on Wednesday approved legislation that would repeal three higher education regulations dealing with gainful employment, “state authorization,” and the definition of “credit hour.” The vote on the Supporting Academic Freedom through Regulatory Relief Act (H.R. 2637) was 22 to 13.

Seven higher education associations, including AAU, sent a letter to three House Members on July 15 thanking them for introducing the legislation. They wrote that the Department of Education regulations are “complex, confusing, and burdensome and have raised challenging compliance issues for institutions.” The associations added, “Congress should have the opportunity to carefully consider these issues and make its will known before additional rulemaking occurs on these topics.”

The bill could be considered in the House following the August recess, but it is not expected to move in the Senate.

HOUSE AND SENATE PANELS ADDRESS NASA REAUTHORIZATION

Committees in both the House and Senate have begun work on their respective reauthorization bills for NASA.

The House Science, Space, and Technology Committee last week approved its version of the bill, the NASA Authorization Act of 2013 (H.R. 2687), on a party-line vote of 22 to 17. The measure would authorize funding for NASA operations and programs at $16.8 billion in each of the next two fiscal years. (By comparison, those yearly totals are $200 million above the House FY14 appropriations level for NASA.) During markup, Rep. Donna Edwards (D-MD) offered a Democratic alternative that would gradually increase the space agency’s authorization levels over three years. The substitute failed to pass, along with most of the amendments offered by the minority.
In the Senate Commerce, Science, and Transportation Committee, Science and Space Subcommittee Chairman Bill Nelson (D-FL) has introduced a three-year authorization bill (S. 1317). Like the House Democratic alternative, the measure would increase authorized funding for the space agency over the course of three years: $18.1 billion in FY14, rising to $18.4 billion in FY15, and $18.8 billion in FY16. (By comparison, the Senate FY14 appropriation for NASA is $18 billion.)

AAU OFFERS GUIDING PRINCIPLES FOR NASA REAUTHORIZATION

AAU President Hunter Rawlings sent a letter to House and Senate authorizers yesterday urging them to consider three guiding principles as they move ahead on the NASA reauthorization legislation. The principles are:

- Establish a sustained vision and the funding to support that vision;
- Support a balanced NASA portfolio across programs and missions; and
- Commit to helping build America’s next-generation scientific and engineering workforce.

HOUSE SUBCOMMITTEE HOLDS HEARING ON PROOF OF CONCEPT DISCUSSION DRAFT NEW

The House Science, Space, and Technology Committee’s Subcommittee on Research and Technology yesterday held a hearing on draft legislation that would allow federal agencies to dedicate a portion of their small business technology transfer (STTR) funds to creating “proof of concept” programs. The “Innovative Approaches to Technology Transfer Act of 2013” would enable such programs to provide competitively awarded and merit-reviewed proof-of-concept grants to universities, research institutes, and national laboratories. AAU strongly backs the draft measure, which is being developed by Rep. Chris Collins (R-NY) and appears to have bipartisan support.

The goal of the draft legislation is to improve the process of translating basic research discoveries into the marketplace. Under the bill, universities could apply for proof-of-concept funds in order to evaluate the scientific or technical merit and the commercial feasibility of research-based technologies developed by their faculty.

EXECUTIVE BRANCH

NIH ENCOURAGES CAMPUSES TO CREATE DEVELOPMENT PLANS FOR GRADUATE STUDENTS, POST-DOCS

The National Institutes of Health (NIH) has released a notice encouraging institutions to develop a policy requiring an Individual Development Plan (IDP) for each of their graduate students and postdocs supported with NIH funds. Institutions are further encouraged to describe their use of IDPs in the progress reports on NIH grants that they submit on or after October 1, 2014.

Sally Rockey, NIH Deputy Director for Extramural Research, has written a blog post elaborating on NIH’s IDP recommendation.
UNITED FOR MEDICAL RESEARCH PUBLISHES REPORT ON ROLE OF NIH IN U.S. ECONOMIC GROWTH

United for Medical Research (UMR), a group in which AAU participates, has issued a new report, “Profiles of Prosperity: How NIH-Supported Research is Fueling Private Sector Growth and Innovation,” which features 10 companies that “evolved from NIH-funded research.”

As discussed in the UMR press release, the report “sheds light on the dynamic partnership between NIH, university research scientists and private sector companies, working in collaboration to produce lifesaving products and fuel economic growth through the creation of new industries, jobs and economic activity.”

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