CONGRESSIONAL SCHEDULE  NEW

The House met today to consider legislation requiring that all major regulations be approved by Congress (H.R. 367) and prohibiting the IRS from implementing the Affordable Care Act (H.R. 2009). The Senate did not meet.

Both chambers have adjourned for the August recess and will reconvene on Monday, September 9.

BUDGET & APPROPRIATIONS

CONGRESS SETS UP BUDGET MESS FOR THE FALL  NEW

Congress begins the five-week August recess with a looming appropriations mess, which will not be easily resolved this fall. The House has approved just four of its 12 FY14 appropriations bills, while the Senate has approved none. The new fiscal year begins on October 1, but there is no doubt that Congress will need to pass a stopgap continuing resolution (CR) to sustain government operations while the political jockeying over spending continues.

At issue is that the two different FY14 discretionary spending figures the House and Senate are using are $91 billion apart. Senate appropriators have been marking up their FY14 funding bills using a top-line figure—$1.058 trillion—that assumes the budget sequester will be lifted in
FY14, while the House is using a figure—$967 billion—that assumes the sequester will remain in place in FY14. Moreover, the House has loaded much of the burden of cuts onto the domestic spending bills.

It appears that neither approach will prevail in the fall. Senate Republicans on August 1 successfully blocked Democratic efforts to approve the Senate’s first FY14 funding bill—Transportation-HUD—because its $54 billion funding level was 12 percent above the current sequester level. On the other side of the Hill, House Republican leaders were forced to pull their Transportation-HUD bill—which at $44.1 billion is $10 billion less than the Senate bill—from the House floor because its cuts in infrastructure and community development were too deep to pass.

House Appropriations Committee Chairman Harold Rogers (R-KY) said in a statement about the House’s failure to pass the bill, “…I believe that the House has made its choice: sequestration, and its unrealistic and ill-conceived discretionary cuts, must be brought to an end.” He added that the higher Senate numbers also were “simply not achievable in this Congress.” Rep. Rogers called for a “comprehensive compromise that repeals sequestration, takes the nation off this lurching path from fiscal crisis to fiscal crisis, reduces our deficits and debt, and provides a realistic topline discretionary spending level to fund the government in a responsible—and attainable—way.”

**SENATE FY14 DEFENSE APPROPRIATIONS BILL IS FAVORABLE TO BASIC AND APPLIED RESEARCH **NEW**

The Senate Appropriations Committee marked up its FY14 Defense spending bill on August 1, which the committee summary says “fully funds Basic Research and Applied Research programs in each Service.” The strong support for the 6.1 and 6.2 budget accounts came despite the panel’s decision to cut $1.7 billion from the President’s overall request for Research, Development, Test & Evaluation. The committee also included support for technology transfer and the President’s National Network for Manufacturing Innovation initiative.

AAU staff will provide additional details and update the AAU DOD funding chart when data become available next week.

**HOUSE AND SENATE FUNDING BILLS AT ODDS OVER FY14 NEH FUNDING **NEW**

The House and Senate versions of the FY14 Interior-Environment-Related Agencies bill offer widely different funding levels for the National Endowment for the Humanities (NEH).

The measure approved by the House subcommittee on July 23 would fund NEH and its sister organization, the National Endowment for the Arts (NEA), at $75 million each. This would be a cut of $71 million—or 49 percent—from their FY13 enacted, pre-sequester levels.

In sharp contrast, the summary of the Senate’s draft FY14 Interior-Environment funding bill—released on August 1 but not yet marked up—would provide $154.5 million for NEH and NEA, respectively, the same as the Administration’s request.
CONGRESS APPROVES STUDENT LOAN BILL  UPDATED

The House approved the Bipartisan Student Loan Certainty Act of 2013 (S. 1334) on July 31, sending the measure to the President who has said he will sign it into law. The vote was 392 to 31.

The final bill is similar to the market-based plan offered by the Administration and modified and approved by the House (H.R. 1911). The measure also includes a rate cap and locks 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 pegs 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 unsubsidized loans for graduate students at plus 3.6 percent, and for parents at plus 4.6 percent. The rates will 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 will be 3.86 percent.

The rates in the final bill are slightly higher than those in the tentative deal worked out by a bipartisan group of Senators in early July, 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.

AAU, APLU SUBMIT FY15 BUDGET REQUEST TO OMB  NEW

AAU and the Association of Public and Land-grant Universities (APLU) today sent a letter to Office of Management and Budget (OMB) Director Sylvia Mathews Burwell asking the Administration to provide “robust” funding for research and student aid programs in its FY15 budget.

The associations said, “The combination of strong federal support and prioritization of higher education and research is the formula needed to reverse our innovation deficit and ensure U.S. economic growth and prosperity for years to come.” The also urged the President to “work to achieve a long-term budget deficit reduction agreement that eliminates sequestration.”

OTHER CONGRESSIONAL ISSUES

AAU SUBMITS RECOMMENDATIONS FOR HEA REAUTHORIZATION  NEW

AAU sent a letter to the House Education and the Workforce Committee today that outlines the association’s initial priorities for the upcoming reauthorization of the Higher Education Act
(HEA). The letter sets out as a guiding principle that students who wish to pursue a higher education “should not be denied an opportunity because of economic circumstances.” It urges all parties involved in HEA reauthorization to reaffirm “the principle of access to higher education as a fundamental, if not the fundamental, objective of the government with respect to policies concerning postsecondary education.”

The 11-page letter addresses several topics: federal support for student access and affordability, useful consumer information, student progress and completion, accreditation, graduate education, international education, promoting innovation, and achieving a balance between accountability and regulatory burdens. The deadline for submitting comments to the committee was today.

ASSOCIATIONS URGE HOUSE MEMBERS TO APPROVE BIPARTISAN IMMIGRATION LEGISLATION

A group of 13 higher education associations, including AAU, sent a letter to all Members of the House of Representatives on July 29 urging them to pass bipartisan immigration reform legislation this fall which can be conferenced with the Senate bill and signed into law. The letter focused on three major areas of particular concern to higher education: 1) the DREAM Act, which would provide a path to citizenship for children brought to the U.S. illegally at an early age and who attend college or serve in the military; 2) modernization of the green card process for advanced degree graduates; and 3) modernization of non-immigrant visas.

OTHER

AAU, APLU PUBLISH AD ON THE “INNOVATION DEFICIT”

A joint AAU-APLU open letter to the President and Members of Congress on the federal “innovation deficit”—the difference between what the nation is investing and what it should be investing in research and higher education—was published on July 31 as a two-page advertisement in the Washington newspaper, Politico. The presidents and chancellors of 165 universities, including those of nearly all of AAU’s U.S. universities, signed on to the letter published in Politico. Additional university leaders are signing onto the letter on the new Innovation Deficit website, which also features news stories, press releases, and other communications about the letter.

GOLDEN GOOSE AWARD ANNOUNCES NEXT 2013 WINNER

The creators of the Golden Goose Award announced on July 30 that Dr. John Eng, a medical researcher and physician whose study of the poisonous venom of the Gila monster led to a drug that has aided millions of diabetics, has been named the second award recipient for 2013. Dr. Eng will be honored at the second annual Golden Goose Awards ceremony in Washington, DC on September 19 along with the late Wallace Coulter and other winners to be named in the coming weeks.
The **Golden Goose Award** was created in 2012 by a group of organizations, including AAU, to celebrate researchers whose seemingly odd or obscure federally funded research turned out to have a significant, positive impact on society. The idea for the award was conceived by Rep. Jim Cooper (D-TN) who saw it as a means of educating Members of Congress and the general public about the value of federal funding of basic scientific research.

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