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CONGRESSIONAL SCHEDULE  NEW

The House and Senate did not meet today.

BUDGET & APPROPRIATIONS

BUDGET CONFERENCE COMMITTEE GETS DOWN TO WORK  NEW

The major takeaway from the first public meeting this week of the House-Senate conference committee on the FY14 budget appears to be that ad hoc groups of conferees have begun meeting to develop proposals on various aspects of an agreement before the conferees next meet publicly on November 13.

As noted previously, committee co-chairs House Budget Committee Chairman Paul Ryan (R-WI) and Senate Budget Committee Chairwoman Patty Murray (D-WA) have worked to reduce expectations that the panel will reach a grand bargain that includes significant tax and entitlement reform. The leaders’ more modest goal is to find agreement on final spending for FY14 and the means to avoid the next round of sequester cuts scheduled to kick in early next
year. The panel has a target deadline of December 13 to come up with an agreement; the current FY14 continuing resolution (CR) expires on January 15.

--Appropriations Leaders Ask Conferees for a Top-Line Budget Number Early  NEW

The leaders of the House and Senate appropriations committees yesterday sent a letter to the FY14 budget conferees urging them to agree to a top-line number for discretionary spending in FY14 and FY15 as their first priority. Senator Barbara Mikulski (D-MD) and Rep. Harold Rogers (R-KY), asked conferees to reach a decision no later than December 2, but preferably before the Thanksgiving recess on November 22, so appropriators would have more time to write a year-end omnibus spending bill before the current CR expires in January. They did not specify a number. Their letter added:

“We believe that if an agreement on a discretionary spending number can be reached early, it will allow for more thoughtful and responsible spending decisions, set the parameters for the budgetary savings that need to be reached in your Budget Conference, and build momentum for a larger budget agreement that addresses the nation’s wide range of fiscal challenges.”

The House-passed FY14 budget resolution caps discretionary spending at $967 billion, the amount set by the Budget Control Act (BCA), including cuts required by sequestration. The Senate-passed FY14 budget resolution ignores the sequestration cuts required by the BCA and sets the top-line discretionary spending level at $1.058 trillion, the original cap required under the BCA without sequestration.

HIGHER EDUCATION ASSOCIATIONS URGE BUDGET CONFERENCE TO ELIMINATE SEQUESTER  NEW

A group of 34 higher education associations and organizations, including AAU, today sent a letter to the House and Senate leaders of the FY14 budget conference urging them to eliminate the sequester and place a high priority on investments that will build the economy, such as research, student aid, and workforce training. The letter, which was led by the American Council on Education, said:

“Our nation’s leadership in innovation is eroding as our competitors emulate the model we have so successfully followed in the past. As you meet to resolve the FY14 budget, we urge you to eliminate the irresponsible policy of sequestration and reaffirm the federal commitment to higher education and research that placed the United States at the top of the global economy.”

ALLIANCE CALLS ON BUDGET CONFERENCE LEADERS TO BOLSTER STUDENT AID IN FY14

The Student Aid Alliance on October 30 sent a letter to the chairs of the House and Senate budget committees urging them to repeal the budget sequester and provide the highest possible funding levels for non-defense discretionary spending in the FY14 budget agreement. The goal is to bolster support for federal student aid programs.
Two members of the House Ways and Means Committee, Representatives Diane Black (R-TN) and Danny Davis (D-IL), this week introduced legislation to simplify and consolidate four higher education tax benefits. The Student and Family Tax Simplification Act (not yet numbered) would consolidate the tuition deduction, the Hope Credit, the American Opportunity Tax Credit (AOTC), and the Lifetime Learning Credit into an updated, permanent AOTC.

Since Reps. Black and Davis co-chaired the tax committee’s working group that was tasked with recommending reforms in higher education tax incentives, it seems likely that their bill will be considered as part of a comprehensive tax reform package that Committee Chairman Dave Camp (R-MI) is assembling.

The two said in their joint press release that their bill would:

- Provide a 100-percent tax credit for the first $2,000 of eligible higher education expenses and a 25-percent tax credit for the next $2,000 of such expenses, for a maximum credit of $2,500; the first $1,500 of the credit would be refundable.
- The credit could be used to offset expenses for tuition, fees and course materials.
- The credit would be available for up to four years of postsecondary education at qualifying four-year universities, community colleges, and trade and vocational schools.
- The credit would begin to phase out for families with incomes between $86,000 and $126,000 (half those amounts for single individuals).

OTHER CONGRESSIONAL ISSUES

HOUSE OVERSIGHT COMMITTEE APPROVES GRANT ACT

The House Committee on Oversight and Government Reform on October 29 approved its reintroduced and slightly modified version of the Grant Reform and New Transparency Act of 2013 (GRANT Act, H.R. 3316) on a party line vote of 19 Republicans in support and 15 Democrats against. Rep. James Lankford (R-OK) introduced the modified version of the bill late last week.

H.R. 3316 is intended to provide greater transparency to federal grant programs as a means of improving accountability by federal grantees. The bill requires the posting to a central federal grants website of several categories of information including: the full grant application of a successful grantee; grant performance information; the executed award agreement; as well information about individuals who participate in federal agency peer review panels.

The reintroduced version of the GRANT Act includes some modifications to provisions that AAU, the Association of Public and Land-grant Universities, and the Council on Governmental Relations identified as problematic in the first version of the bill. But the modifications do not address several other fundamental concerns with the legislation. These include the protection of intellectual property and other sensitive information the public release of which could harm the
peer-review process, the nation’s economic competitiveness, and national security, the associations have argued.

Rep. Gerald Connolly (D-VA) offered an amendment during the markup that would have required online posting of only grant abstracts or executive summaries, instead of full grant applications and other grant information. The amendment failed on a party line vote of 15 to 18. Additionally, Rep. Mark Pocan (D-WI) offered and withdrew an amendment that would have modified the bill’s requirements on the posting of information about peer reviewers.

Subsequent to the committee markup, Rep. Lankford told Science Insider that the GRANT Act was not aimed at research agencies, such as the National Institutes of Health and the National Science Foundation, but at such agencies as the Departments of Education, Justice, and Commerce “that do not have a transparent process in place.” He added that the legislation was still a work in progress and that he was working with Democrats on provisions of concern.

UC IRVINE VICE CHANCELLOR FOR RESEARCH TELLS HOUSE PANEL HIS CONCERNS ABOUT THE INNOVATION DEFICIT

At a hearing convened on October 30 by the House Science, Space, and Technology Subcommittee on Energy, Dr. John Hemminger, Vice Chancellor for Research at the University of California, Irvine, expressed his concern that the innovation deficit—the difference between needed and actual federal investments in research and higher education—was “particularly troubling in the area of energy science and technology.” He said it was abundantly clear that increased investments in research and education are “required for the U.S. to obtain and continue to have energy independence” and to “remain competitive on the world stage.”

Dr. Hemminger made his remarks during a hearing called to examine federal energy research priorities and the panel’s draft legislation, the Enabling Innovation for Science, Technology, and Energy Act of 2013 (or EINSTEIN America Act). The bill would reauthorize Department of Energy Office of Science programs for FY14 and FY15.

HOUSE AND SENATE MOVE AHEAD ON LEGISLATION TO ADDRESS ABUSIVE PATENT LITIGATION

The House and Senate are moving to address abusive patent infringement lawsuits. The House Judiciary Committee on October 29 held a hearing on its legislation, while Senator Orrin Hatch (R-UT) introduced a bill on this issue on October 30.

The House Judiciary Committee on October 29 heard testimony on its legislation, the Innovation Act (H.R. 3309), which aims to improve U.S. innovation and economic competitiveness by addressing abusive patent infringement lawsuits. The bipartisan measure was introduced by Committee Chairman Robert Goodlatte (R-VA) and committee members Peter DeFazio (D-OR), Howard Coble (R-NC), and Zoe Lofgren (D-CA).

Two of the witnesses at the hearing told Members that the most important boost they could give the patent system was to allow the U.S. Patent and Trademark Office to keep and use all of the fees it collects, rather than have some of that funding diverted to other purposes. While such a
provision is not in the chairman’s bill, a member of the committee pointed out that a bipartisan
group of committee members had introduced a bill (H.R. 3349) the day before that included such
a requirement.

The six higher education associations that have been working together on patent reform believe
that reducing abusive patent lawsuits is a laudable objective, but are concerned that H.R. 3309
could raise problems for universities in licensing their patents and defending their patent rights.
The associations are preparing a letter evaluating the bill, which they will submit to the
committee soon.

--Senator Hatch Introduces Patent Litigation Bill

While Senate Judiciary Committee Chairman Patrick Leahy (D-VT) works to craft a committee
bill on abusive patent lawsuits, Senator Orrin Hatch (R-UT) on October 30 introduced legislation
containing his own set of provisions. Senator Hatch’s bill, the Patent Litigation Integrity Act (S.
1612), directs courts to award reasonable fees and other expenses to a prevailing party in any
civil patent litigation unless the court finds the actions of the non-prevailing party were
substantially justified or special circumstances would make an award unjust. The bill also gives
a defendant the opportunity to request that the party alleging infringement post a bond sufficient
to cover a court award of reasonable fees and other expenses should the defendant prevail in
defending its claim.

The bill lists factors for courts to consider in determining whether a bond requirement would be
unreasonable or unnecessary, and includes several factors which appropriately could exempt
universities, technology transfer organizations, or licensees conducting further research from
having to post a bond. Despite these provisions, there are concerns about both the fee-shifting
and bonding provisions of S. 1612; the higher education associations have taken a neutral
position on the bill.

EXECUTIVE BRANCH

DEPT. OF EDUCATION ANNOUNCES SCHEDULE OF REGIONAL FORUMS ON ITS
COLLEGE RATING PLAN

The Department of Education has announced the dates and locations of four regional public
forums to gather views and comments about the Obama Administration’s college rating plan. They are:

- November 6, 2013, The California State University-Dominguez Hills, Los Angeles, CA;
- November 13, 2013, George Mason University, Arlington, VA;
- November 15, 2013, University of Northern Iowa, Cedar Falls, IA; and
- November 21, 2013, Louisiana State University, Baton Rouge, LA.

The sessions are free and open to the public. Those wishing to provide comments or suggestions
at a forum must register by sending an e-mail at least three days prior to the event to
collegefeedback@ed.gov with the subject line, “Open Forum Registration.”
The Science Coalition has released a new report, “Sparkling Economic Growth 2.0,” which highlights 100 companies that “trace their roots to federally funded university research and their role in bringing transformational innovations to market, creating new jobs, and contributing to economic growth.” The report is accompanied by an online database that “provides free access to company profiles and allows users to sort companies by federal funding agency, university affiliation, type of innovation and other criteria.”

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