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CONGRESSIONAL SCHEDULE NEW

The House and Senate each met today in pro forma session, with no legislative business conducted. Both chambers will be out of session next week, and will reconvene for business on Monday, January 27. The Senate will resume consideration of legislation on flood insurance (S. 1926); the House schedule has not yet been announced.

BUDGET & APPROPRIATIONS

CONGRESS APPROVES FY14 OMNIBUS APPROPRIATIONS PACKAGE UPDATED

The Senate on January 16 gave final congressional approval to the FY14 omnibus appropriations package (H.R. 3547), sending it to the President for signature. The vote was 72 to 26. The House had approved the measure on January 15 by a vote of 359 to 67.

The White House issued a Statement of Administrative Policy on January 14 in support of the omnibus. It said that the measure “unwinds some of the damaging cuts caused by sequestration, ensures the continuation of critical services that the American people depend on, and invests in essential areas such as education, infrastructure, manufacturing, and scientific research, which contribute to growing the economy, creating jobs, and strengthening the middle class.”

FY14 FUNDING PACKAGE OFFERS MIXED NEWS FOR UNIVERSITY RESEARCH AND EDUCATION UPDATED
Federal programs that support university-based research and education received considerable relief from the FY13 sequester in the FY14 omnibus appropriations bill, but with significant variation among agencies and programs.

**NOTE:** Text that is changed or expanded from Wednesday’s *CFR Update* is shown in blue.

While some agencies—such as the Department of Energy Office of Science and NASA Science—received more FY14 funding than their pre-sequester FY13 levels, some other agencies—such as the National Institutes of Health and the National Science Foundation—were funded below their FY13 pre-sequester levels.

Key agency funding levels and policy language are as follows:

### National Institutes of Health (NIH) *UPDATED*

The bill provides $29.9 billion for NIH, which is $827.4 million, or 2.8 percent, above the FY13 post-sequester level. However, in comparison to the FY13 level after transfers, NIH funding was increased by $1 billion, or 3.5 percent, but, again, remained below the FY13 pre-sequester level of $30.64 billion.

Within that total, the FY14 bill provides:

- $100 million for Alzheimer’s research, which is $20 million above the President’s request;
- $30 million for the new BRAIN Initiative;
- $273.3 million for the Institutional Development Award, an increase of $11.7 million above the FY13 post-sequester level;
- $474.7 million for Clinical and Translational Science Awards; and
- The bill retains the NIH salary cap at Executive Level II.

In addition:

- The omnibus calls for the NIH Director to assemble a working group on reducing administrative burden. The group must include “coordination and participation of universities, not-for-profits, and institutes” that receive NIH funds.
- Relative to the Administration’s STEM education consolidation proposal, the bill directs NIH to continue funding the Office of Science Education (OSE) and Science Education Partnership Awards (SEPA) in FY14. Given that the OSE has already been eliminated and the SEPA program has expired, it is unclear how the agency will implement this directive.
- The Appropriations Committees have also asked NIH to conduct an agency-wide priority-setting review, emphasizing both committees’ support for the peer review process. Within 180 days of enactment of the bill, NIH is required to submit a report on the post-peer review priority-setting process and how it “provides decision makers with answers to key questions,” including how funded research affects human health, basic biomedical science, and the overall NIH research portfolio.

### National Science Foundation (NSF) *UPDATED*
NSF receives $7.172 billion in FY14, an increase of $288 million above the FY13 post-sequester level, but below the FY13 pre-sequester level. Within that total, the measure allocates $5.8 billion for Research and Related Activities and $846 million for Education.

The omnibus bill does NOT include language restricting NSF funding of political science research that was first inserted in the FY13 continuing resolution last March at the behest of Senator Tom Coburn (R-OK). That language prohibited NSF from funding political science research unless the NSF Director certified that the project promoted “national security or the economic interests of the United States.” Because of the difficulty of implementing the provision, NSF has not been funding new political science studies.

**National Aeronautics and Space Administration (NASA) **  *UPDATED*

NASA receives $17.65 billion overall, an increase of $781 million above the FY13 post-sequester level. Within that total, $5.151 billion goes to the Science Mission Directorate, the Aeronautics Research Directorate receives $566 million, Space Technology $576 million, and education $117 million, including $40 million for the Space Grant program.

Language in the bill maintains NASA’s education and public outreach activities within the Science Mission Directorate. The measure also prevents NASA or the White House Office of Science and Technology Policy from participating in bilateral activities with China or Chinese-owned companies, unless authorized by Congress.

**Department of Defense**

Overall research, development, test & evaluation at the Department of Defense is cut by nearly $7 billion from the FY13 post-sequester level, but support for basic research increases. Funding for 6.1 basic research is $2.167 billion, or $64 million above the FY13 post-sequester level. Funding for 6.2 applied research is $4.643 billion, or $40 million below the FY13 post-sequester level.

**Department of Energy (DOE) **  *UPDATED*

The DOE Office of Science appropriation is about $5 billion, which is a $450-million increase above the FY13 post-sequester level. Likewise, the Advanced Research Projects Agency-Energy receives $280 million, which is $29 million above the FY13 post-sequester level.

**National Endowment for the Humanities (NEH) **  *UPDATED*

The total for NEH is $146 million, which is $7 million above the FY13 post-sequester level and the same as the FY13 pre-sequester level. (The latter circumstance is the reason that initial reports said NEH was level-funded.)

**Department of Agriculture (USDA)**

The Department’s Agriculture and Food Research Initiative (AFRI) receives $316 million, which is $40 million above the FY13 post-sequester level.

**Department of Education**

The FY14 omnibus bill maintains level funding for the Pell Grant program at $22.8 billion which, when combined with mandatory funding, will provide an estimated Pell Grant maximum award of $5,730, an increase of $85.

The campus-based aid programs are allocated the following amounts:
• Supplemental Educational Opportunity Grants, $733 million;
• Federal Work Study, $975 million;
• TRIO Programs, $838 million; and
• GEAR UP, $302 million.

The bill includes $75 million for the Administration’s First in the World Initiative, which will provide grants to colleges to implement innovative and effective strategies that improve student outcomes and reduce the net price paid by students.

The measure also provides $29.2 million for Graduate Assistance in Areas of National Need (GAANN), with language allowing GAANN funds to be used to support continuation costs for the Javits Fellowship program. International Education and Foreign Language Studies would receive $72 million.

In addition, the bill includes $1 million for a National Research Council study authorized in the Higher Education Opportunity Act to study the effect of regulations and reporting requirements on colleges.

Lastly, the bill requires the Department of Education to report within four months on enrollment, graduation, and default rates for Pell Grant recipients, disaggregated by institution. The Department also will have to develop a plan to minimize the Pell reporting burden on institutions, provide suggestions on how to improve the tracking of transfer and nontraditional students, and develop strategies to boost Pell Grant graduation rates.

The bill rejected the Administration’s proposed consolidation of science, technology, engineering, and mathematics (STEM) education programs. The section for the White House Office of Science and Technology Policy (OSTP) says, “While the Congress is supportive of attempts to improve efficiency and effectiveness in Federal STEM education programs, the proposed reorganization of these programs contained in the budget request was incomplete and lacked sufficient detail. The proposal contained no clearly defined implementation plan, had no buy-in from the education community and failed to sufficiently recognize or support a number of proven, successful programs...” The bill continued:

“OSTP shall reexamine other possible reorganizations of Federal STEM programs for consideration in a future fiscal year after engaging in an inclusive development process (involving the interagency community and major external stakeholders) and taking into consideration evaluations and other evidence of program success.”

--AAU Priorities Table and DOD Research Funding Table Now Available  UPDATED

Additional information on these budgets is available in the updated AAU FY14 Funding Priorities table on the AAU website. The Defense Research table is also available; other agency budget tables will be posted as they are completed.

AAU THANKS APPROPRIATORS FOR THEIR LEADERSHIP ON FY14 FUNDING BILL  NEW
Earlier today, AAU sent the four leaders of the House and Senate Appropriations Committees a letter congratulating them on congressional approval of the FY14 appropriations bill and thanking them for “working together to ensure that critical federal programs remain funded and operating on behalf of the American people.”

The letter, to Senators Barbara Mikulski (D-MD) and Richard Shelby (R-AL) and Representatives Harold Rogers (R-KY) and Nita Lowey (D-NY), expressed particular thanks for giving high funding priority to scientific research and higher education programs. This commitment was demonstrated in funding levels for Pell Grants and other student aid programs, as well as for the DOE Office of Science, AFRI, NEH, and DOD basic research. The letter added that AAU joins the appropriators in wishing more could have been done to restore funding lost to the sequester for NIH and NSF. It also expressed hope that Congress in FY15 and beyond would be able to bolster investments needed to promote economic growth, such as higher education and research, through a series of budget, entitlement, and revenue reforms.

When the final FY14 agreement was made public on January 13, AAU issued a statement expressing appreciation that the FY14 omnibus appropriations package would ameliorate sequestration, but noting that “even a partial sequester makes it impossible for Congress to take any serious steps to close the nation’s innovation deficit.” The statement added, “As long as that gap continues between what the nation should be investing and what we are investing in research and higher education, other nations will continue to make rapid strides in their efforts to outcompete us.”

EDUCATION ASSOCIATIONS URGE MEMBERS OF CONGRESS TO SUPPORT FY14 OMNIBUS BILL

A group of 18 higher education associations, including AAU, wrote to Members of the House of Representatives on January 14 urging them to vote passage of the FY14 omnibus appropriations bill. The letter said, “the bipartisan bill takes important steps toward offsetting the damaging cuts imposed by sequestration to education and innovation programs that spur economic growth,” which “lays the groundwork for strengthening our country going forward.”

On January 15, the Committee for Education Funding (CEF), a coalition of 113 national education associations and institutions, also sent House Members a letter about the FY14 omnibus measure. The CEF letter expressed appreciation that the bill restored $1.6 billion in funding for the Department of Education, but also disappointment that the added funding restored only two-thirds of the sequester cuts in education. The letter also expressed concern that the FY15 and FY16 spending caps for nondefense discretionary programs were frozen at the FY14 level.

OTHER CONGRESSIONAL ISSUES

SENATE JUDICIARY COMMITTEE SCHEDULES SENATE STAFF BRIEFINGS ON PATENT LITIGATION ISSUES NEW

Following a hearing held on December 17, the Senate Judiciary Committee has scheduled a series of four Senate staff briefings on the range of legislative proposals for curbing abusive
patent litigation practices and other actions carried out by patent trolls. The briefings are open to Senate staff only. The briefing schedule and invitation to attend were distributed to all Senate offices earlier this week.

The first Senate staff briefing, which will be held next Tuesday, January 21, will include a university panelist who will discuss university views on key patent litigation proposals. (See AAU Weekly Wrap-up, January 10, 2014 for more information on this issue.)

The remaining three Senate staff briefings will be held on the following successive Fridays.

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