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CONGRESSIONAL SCHEDULE  NEW

The House and Senate were both in session today, with no roll call votes.

The House next week is scheduled to begin considering three of its 11 FY07 appropriations bills: Agriculture, Military Quality of Life and Veterans Affairs, and Interior-Environment. House Republican leaders may also bring up the FY07 budget resolution if an intraparty agreement can be negotiated (see item below).

The Senate next week will resume consideration of immigration legislation (S. 2611), which could take as long as two weeks. Senate Majority Leader Bill Frist told CQToday that the chamber would “stay on the bill until we complete it,” which he hopes to do before the Memorial Day recess.

BUDGET & APPROPRIATIONS
CQToday reports that House Republican leaders gave up efforts yesterday to reach a deal with party moderates on an FY07 budget resolution, but they said discussions would continue. Still at issue is the moderates’ request that $7.2 billion more than the President requested be added to the FY07 Labor-HHS-Education appropriations bill. House Appropriations Committee Chairman Jerry Lewis (R-CA) has agreed to add $4.1 billion, but his effort has not swayed the moderates. CQToday also reports that even if the House is able to pass the budget resolution, the chances of reaching agreement with the much different Senate version are remote. The Senate-passed budget resolution (S. Con. Res. 83) approved in March added $16 billion to the President’s request, including $7 billion in “advance appropriations” for the Labor-HHS-Education funding bill. The latter funding was provided through the Specter-Harkin amendment, which the higher education and research communities supported strongly.

In the absence of a binding budget resolution, which would require a House-Senate agreement, the House is expected to pass a resolution that “deems” as a binding limit the $873 billion cap on discretionary spending proposed by the President and move forward with the appropriations bills. The Appropriations Committee has already adopted subcommittee allocations based on that cap.

**FY07 APPROPRIATIONS PROCESS IS UNDERWAY**

Even as the FY07 budget resolution remains bogged down, work on the FY07 appropriations bills has begun. The House Appropriations Committee has approved three bills that will go to the House floor next week—Agriculture, Military Quality of Life, and Interior-Environment—with two more reported from subcommittee: Energy and Water and Homeland Security.

CongressDaily reports that although the Senate-approved version of the FY07 budget resolution is $16 billion above the President’s request for discretionary spending, Senate Appropriations Committee Chairman Thad Cochran (R-MS) is developing funding allocations for his panel’s subcommittee based on the $873 billion figure proposed by the President and being used by the House Appropriations Committee.

CongressDaily further reports that Senate Majority Leader Bill Frist (R-TN) is unlikely to bring up FY07 appropriations bills on the Senate floor until after the July 4 recess, while the House Republican leadership plans to have all of its FY07 appropriations bills approved by that time.

**HOUSE COMMITTEE FREEZES NEH BUDGET AT FY06 LEVEL**

In approving the FY07 Interior-Environment Appropriations bill on May 10, the House Appropriations Committee endorsed the subcommittee decision to flat-fund the National Endowment for the Humanities (NEH) at $141 million. That is also the same as the President’s FY07 request.

HOUSE SUBCOMMITTEE FULLY FUNDS DOE PORTION OF ACI

In the markup of its FY07 bill on May 11, the House Energy and Water Appropriations Subcommittee appears to have fully funded the Department of Energy’s portion of the President’s American Competitiveness Initiative (ACI).

According to the committee press release, the bill would provide the Department of Energy (DOE) with $24.373 billion, or $327 million above the FY06 level and $299 million above the request. The Office of Science would receive $4.132 billion, which compares to the President’s request of $4.101 billion and FY06 funding of $3.596 billion. The release says the following:

- The bill fully funds the American Competitiveness Initiative which would strengthen basic research by increasing funding for the DOE Office of Science, for a total of $4.132 billion. In addition, the bill supports the Advance Energy initiative by increasing funding for a variety of clean energy technologies, including biomass, hydrogen, solar, wind and clean coal.

- Energy Supply and Conservation programs are funded at $2 billion, $102 million above FY 2006. The bill restores reductions in other essential energy programs, such as support for university nuclear energy education (funded at $27 million) and weatherization assistance (restoring $78 million cut for a total of $242.5 million).

The press release also states that the bill reduces total earmarks by $200 million, or 16 percent, from last year’s House bill. Preliminary reports and the subcommittee’s budget number for the Office of Science indicate that the science accounts contain $30 million in earmarks, but that those are over and above, and therefore do not have an impact on, full funding of the ACI. The Administration has said that it might not request full funding for ACI in future years if the programs are earmarked.


Full committee markup is scheduled for Tuesday, May 16.

HOUSE SUBCOMMITTEE INCREASES FUNDING FOR HOMELAND SECURITY

The FY07 appropriations bill marked up by the House Homeland Security Appropriations Subcommittee on May 11 would provide the Department of Homeland Security (DHS) with $32.08 billion, or $1.07 billion more than the President’s request and $1.8 billion above the FY06 level.

According to Technology Daily, Subcommittee Chairman Harold Rogers (R-KY) has said the subcommittee is not hesitating to give the department "spankings and punishment." The publication continues, “The spending plan would withhold $1.3 billion in funding until the department submits strategic plans and financial information for several programs. For example, almost $500 million would be withheld from the science and technology directorate until the
The committee press release does not specify how much funding would be provided for science and technology accounts or for university centers. However, other sources indicate that the Office of University Programs would receive $51.97 million, which is the same as the President’s request and $10 million below FY06 funding.

Because the Administration’s request for the Office of University Programs was below the FY06 level, the Department indicated that it would not hold a competition in FY07 for the DHS scholars and fellows program. AAU yesterday sent a letter to House appropriators and authorizers urging them to restore funding for the University Program line in order to conduct the competition. The letter expressed concern that what has been termed a temporary suspension of the program could become permanent.

The AAU letter is available at: http://www.aau.edu/budget/Ltr_Rogers_Sabo_DHSFellows_5-11-06.pdf.

The bill is scheduled to be considered in full committee on May 16.


CONGRESS APPROVES TAX RECONCILIATION BILL; SECOND TAX BILL EXPECTED TO HAVE EDUCATION AND NONPROFIT PROVISIONS NEW

The House and Senate this week approved the conference report on the five-year, $70 billion tax reconciliation bill (H.R 4297), clearing the measure for the President’s signature as early as next Wednesday.

The measure does not include provisions of interest to higher education that have been under consideration, such as extensions of the research & development tax credit and tuition tax credits. CQToday reports that those provisions likely will be included in a second bill, which will be added to a pension overhaul bill (H.R. 2830) that remains stalled in House-Senate conference. The goal is to use extension of the popular tax provisions to energize conference negotiations on the pension bill.

The second tax package also is expected to include nonprofit reform measures being developed by Senate Finance Committee Chairman Charles Grassley (R-IA) in follow-up to the hearings he held last year on nonprofit organization management issues. The details of that reform package have not been made public, but Independent Sector, a group that represents the nonprofit sector broadly, indicates that the package is likely to include modifications in provisions affecting donor-advised funds, supporting organizations, and the unrelated business income tax.

OTHER CONGRESSIONAL DEVELOPMENTS

HOUSE SCIENCE COMMITTEE INTRODUCES COMPETITIVENESS
EDUCATION AND RESEARCH BILLS

Republican members of the House Science Committee on May 11 introduced three education and research bills aimed at responding to several recent reports on how to strengthen U.S. competitiveness, including the National Academies’ “Rising Above the Gathering Storm.” The Committee plans to mark up the bills before the Memorial Day recess.


The three bills introduced yesterday are the “Science and Mathematics Education for Competitiveness Act,” the “Early Career Research Act,” and the “Research Competitiveness Act.”

According to a committee press release, the science and math education bill would:

- Strengthen and expand the Robert Noyce Teacher Scholarship Program at NSF, created by legislation the Committee passed in 2002, which provides scholarships to students majoring in STEM fields who commit to teaching after graduation;
- Strengthen and focus the Math and Science Partnership Program at NSF, also created by legislation the Committee passed in 2002, to fund teacher training to improve math and science instruction at the elementary and secondary levels;
- Extend the authorization of and expand NSF’s Science, Technology, Engineering, and Mathematics Talent Expansion Program (STEP), also created by legislation the Committee passed in 2002, which provides grants to colleges and universities to increase the number of students majoring in STEM fields;
- Ensure that funding for the Integrative Graduate Education and Research Traineeship (IGERT) program grows as NSF’s budget increases. IGERT supports graduate students in cutting-edge interdisciplinary fields;
- Establish a program to fund Centers for Undergraduate Education in Science, Mathematics, and Engineering at NSF to improve the quality of teaching and curricula in undergraduate classes in STEM fields;
- Authorize education programs at the Department of Energy, and require DOE to inventory and evaluate its education programs.

Also, according to the press release:

The Early Career Research Act would ensure that NSF’s program to help fund young faculty increases as the NSF budget grows by setting aside 3.5 percent of the agency’s research funding for that purpose. Under the bill, NSF would provide grants of at least $80,000 for up to five years to help researchers establish a lab and pursue risky research in emerging fields. The legislation authorizes $25 million at DOE for each of fiscal years 2007 through 2011 for a similar program to support research by new faculty.

The Research for Competitiveness Act would also fund early career researchers, but would encourage researchers to seek funds from industry. Under the program, NSF and DOE would offer $50,000 grants for up to five years, and make an additional $50,000 available provided the researcher raises one-to-one matching funds from private industry for the proposed research. A similar program was in place at NSF in the 1980s.

HOUSE AND SENATE DEFENSE BILLS AUTHORIZE S&T FUNDING ABOVE THE ADMINISTRATION’S REQUEST  UPDATED

Both the House and Senate FY07 Defense authorization bills would allow greater spending for science and technology than the President’s request. The House bill (H.R. 5122) was approved May 11 on a vote of 396-31; the Senate bill (S. 2507) passed the Senate Armed Services Committee on May 4.

A breakout of the authorization levels for research accounts of interest to research universities is available on the AAU Web site at: http://www.aau.edu/research/07DefAuth.pdf.

By way of comparison, the Senate bill would authorize $11.47 billion for science and technology (S&T) programs at the Department of Defense (DOD), which is $386 million, or 3.5 percent, more than the Administration’s FY07 request but $267 million less than the House bill. The Senate bill, however, would authorize greater funding for 6.1 basic research than the House bill. The $1.47 billion authorized for that account is $53 million, or 3.7 percent, above the FY07 request and $12.5 million above the House bill.

S&T programs include defense-wide and military service funding for 6.1 basic research, 6.2 applied research, and 6.3 advanced technology development.

The Senate bill authorizes funding for applied research at $4.59 billion, or $108 million more than the request and $171 million less than the House bill. Advanced technology development is authorized at $5.41 billion, or $225 million more than the request and $107 million less than the House bill.

Overall, the Senate committee approved $74.16 billion for Research, Development, Test and Experimentation (RDT&E). That is an increase of $1 billion above the Administration’s FY07 request, about $100 million more than the House-passed level, and $3 billion above FY06.

The committee press release can be found at: http://armed-services.senate.gov/press/07mark.pdf.

SENATE TO RENEW IMMIGRATION DEBATE NEXT WEEK  NEW

Senate leaders have agreed to bring back to the Senate floor next week legislation to overhaul U.S. immigration policy that has been stymied by partisan and substantive issues. Senate Majority Leader Bill Frist (R-TN) and Minority Leader Harry Reid (D-NV) reached agreement on how to deal with amendments and how conferees would be appointed for the House-Senate conference. The measure is expected to take up to two weeks of Senate floor time.

The vehicle for floor debate will be S. 2611, the measure developed by Senate Judiciary Committee Chairman Arlen Specter (R-PA), which includes visa provisions of interest to higher education. The bill would create a new F-4 visa category to make it easier for foreign graduate students studying science and engineering in the United States to remain here to work after graduation. Unlike current law, they would not have to prove they intend to return home after graduation and could apply for a change in status from a student visa to a green card. The fee for
doing so would be $2,000. The bill also would increase the cap on H-1B visas from 65,000 to
115,000 per year and retain the exemption for those with advanced math and science degrees
earned in the U.S.

EXECUTIVE BRANCH

NIH ANNOUNCES CAP ON HRSA REIMBURSEMENTS

The National Institutes of Health (NIH) has announced that it will begin this fall to cap
reimbursements for tuition, fees, and health insurance costs for graduate students and
postdoctoral researchers funded through Ruth L. Kirschstein National Research Service Award
(NRSA) training grants. Although stipend levels will remain unchanged, the proposed new cap
on NRSA tuition reimbursement will result in significant increases in the tuition subsidies paid
by most AAU institutions.

The agency said in its announcement last Friday that it would invite comments on the plan before
it goes into effect when the new fiscal year begins on October 1. AAU is working with other
associations to address the proposed policy change and will be providing comments to the
agency. Comments will be accepted until June 2; AAU member institutions may also wish to
respond.

The NIH policy change was prompted by flat funding over the past several years, even as tuition
and other costs associated with NRSA grants have been rising by anywhere from seven to 11
percent annually. Under the proposed new policy, NIH will pay 60 percent of tuition and fees up
to $16,000 annually for graduate students; up to $21,000 for students pursuing dual degrees, such
as the MD-PhD; and 60 percent of costs up to $4,500 for postdoctoral researchers. The current
funding formula provides 100 percent of tuition and related costs up to $3,000 and 60 percent of
costs above that amount. NIH officials say the formula change is necessary to avoid cutting as
many as 342 slots in FY07, and further cuts are projected in the future.

AAU testified against such a change at a November 30, 2005 NIH town meeting focusing on
policy options available to NIH in response to flat appropriations. A number of AAU member
institutions, represented by faculty and program administrators, offered testimony, and widely
ranging opinions were offered.

In its argument against the change, AAU said, in part:

“The current policy is a sound compromise—between NIH meeting the full costs of
student support and excessive cost shifting to universities—that was made years ago
when NIH faced a similar funding outlook. It should not be dismantled as a response
to declining resources. We understand that, in the absence of adequate funding,
maintaining the current policy means that there will be fewer training opportunities
for future biomedical researchers. This is very regrettable, but we believe this is the
most responsible way to manage the consequences of declining support for the
nation’s biomedical research enterprise.”

The NIH proposal is available at:

The AAU testimony is available on the AAU Web site at:
A summary of the November 30 NIH Town Meeting and the positions taken by representatives of AAU institutions is available at:  
http://grants.nih.gov/training/NRSA_Town_Hall_Mtg_Summary.doc

**COMMERCE DEPARTMENT EXPECTED TO ANNOUNCE EXPORT ADVISORY COMMITTEE NEXT WEEK**  
NEW

The Department of Commerce is expected to announce next week in a *Federal Register* notice that it intends to establish a Deemed Export Advisory Committee. The committee will be tasked with reviewing the Department’s deemed export licensing policy with the goal of both safeguarding national security and ensuring that the United States continues to be at the leading edge of technological innovation. The panel is expected to have a diverse membership consisting of representatives from academia and business, national security and intelligence experts, and others.

Creation of the advisory committee will delay any new proposed rule on deemed export controls that might have been issued in response to the recommendations contained in the Commerce Department Inspector General’s report of March 2004. The Department is not expected to issue another proposed rule until after the new advisory committee conducts its review and submits its recommendations to the Commerce Secretary.

**OTHER**

**AAU-ACE LETTER OPPOSES PROPOSED CHANGE IN PROCESS PATENT LAW**

AAU and the American Council on Education (ACE) have written to leaders of the House and Senate Judiciary and Appropriations Committees opposing any change in process patent law that would weaken the law and, in effect, undermine university technology transfer. The May 9 letter, sent by AAU Interim President John Vaughn and ACE President David Ward, opposes any change in 35 U.S.C. 271(g) that would allow manufacturers to use patented processes outside the United States and then import and sell the resulting products in the U.S. without respecting the innovators’ patent rights.

The association letter was prompted by the efforts of a Europe-based drug manufacturer to insert a provision changing the law into an appropriations bill. The purpose of the letter was to show legislators that what was purported to be a minor modification in the law would in fact have a serious impact on the value of U.S. process patents and technology transfer.

The letter said:

> “Only when companies can be confident that a patent is enforceable against infringers will they invest in developing products based on that patent. This confidence is essential to continued technology transfer from university researchers who develop new methods and processes to companies that can develop those methods and processes into useful products.”

A copy of the associations’ letter is available on the AAU Web site at:  
The Johns Hopkins University will hold an education summit on Tuesday, May 23, to discuss theoretical and practical approaches to improving math and science education from preschool through high school. The day-long conference, “Accelerating the K-12 Mathematics and Science Curriculum: Agenda for the 21st Century,” will be held in Hodson Hall on the university’s Homewood campus in Baltimore, Maryland, from 8:30 a.m. to 4:00 p.m.

The organizers believe the summit will be a useful opportunity for federal and congressional policy staff and advocates to interact with educators and researchers working on the front lines of K-12 math and science education.

The program agenda and registration information are available at: www.csos.jhu.edu/conferences/Summit06/register.htm. The $50 registration fee (to cover summit materials, parking, breakfast, and lunch) will be waived for congressional staff.