Friday, August 4, 2006

CONGRESSIONAL SCHEDULE   NEW

The House was not in session this week; the chamber will reconvene following the August recess on Tuesday, September 5.

The Senate was in the session this week, but has now adjourned, also to reconvene on Tuesday, September 5.

During this week’s session, the Senate approved the conference report for a pension reform bill (H.R. 4) that would require companies to better finance their pension plans and expand workers’ retirement plan options, and which includes several charitable giving provisions affecting higher education (see item below).

Senate Republican leaders, however, failed to achieve the 60 votes necessary to approve a legislative package approved last week by the House (H.R. 5970) that combined a permanent reduction in the estate tax, an increase in the minimum wage, and the extension of a variety of expiring tax breaks.

The expiring tax provisions include the research and development tax credit, the deduction of $4,000 of higher education expenses in lieu of claiming the Hope or Lifetime Learning tax credits, and the itemized deduction for state and local sales taxes for taxpayers in states that have no income tax. It remains unclear at this point how the package of popular tax extenders will be handled in the fall. CongressDaily reports that Majority Leader Bill Frist (R-TN) said today in a news conference that he did not plan to bring up the extenders as a separate bill, but that he would consider the options over the August break. Minority Leader Harry Reid (D-NV) said he would try to attach the tax extenders to any bill this fall, but acknowledged that most of those bills would be appropriations measures that cannot be amended with authorization language.
The FY07 appropriations process has slowed considerably. The House so far has approved all of its FY07 funding measures except for the Labor-HHS-Education bill (H.R. 5647), which faces political barriers regarding spending levels and a provision to raise the minimum wage.

The Senate has approved one FY07 funding bill, Homeland Security (H.R. 5441), having been unable to finish work on the Defense appropriations bill (see next item).

SENATE TO CONTINUE FLOOR CONSIDERATION OF FY07 DEFENSE FUNDING BILL

Although Senate leaders had hoped to finish work on the FY07 Defense appropriations bill (H.R. 5631) this week, the bill was pulled from the Senate floor last night because leaders could not agree on how much time was needed to finish the bill. CQToday reports that Majority Leader Frist said the chamber could have passed the bill if it had been willing to work into the evening, while Minority Leader Reid said the bill would require a few more days of debate. Consideration of the bill will continue when the Senate reconvenes after Labor Day on September 5.

Still pending is the amendment to be offered by Senators Ted Kennedy (D-MA) and Susan Collins (R-ME) that would add $45 million to Defense basic research funding. Reports indicate that congressional staff are negotiating language that would allow the amendment to be adopted as part of a manager’s amendment.

The Kennedy-Collins amendment, which currently has 10 additional cosponsors, would add:

- $9 million for the National Defense Education Program/SMART program, for a total of $24.3 million;
- $12 million for Army University Research Initiatives, for a total of $84.6 million;
- $13 million for Navy University Research Initiatives, for a total of $94.8 million;
- $5 million for Air Force University Research Initiatives, for a total of $119.5 million; and
- $6 million for DARPA's University Research Program in Computer Science and Cybersecurity.

Earlier this year, 24 Senators supported a similar effort to increase the authorization levels for 6.1 basic research accounts in the Senate's FY07 Defense authorization bill.

SENATORS INITIATE “DEAR COLLEAGUE” LETTER AGAINST DHS CENTER RESTRICTIONS

Three Senators yesterday began circulating a “Dear Colleague” letter aimed at eliminating a provision in the Senate-passed FY07 Homeland Security appropriations bill that would prohibit universities from participating in the Department of Homeland Security university research centers program after their first three years of involvement.
The letter, sponsored by Senators Dianne Feinstein (D-CA), Kay Bailey Hutchison (R-TX), and Barbara Mikulski (D-MD), urges Senators to sign on to a letter to Senate Appropriations leaders urging them to drop the provision in conference with the House. The letter expresses concern that the provision would harm the ongoing work of the individual centers and their networks of collaborating academic institutions just as they are reaching their full capacity to respond to the research issues in homeland security they were designated to address. The letter indicates there currently are seven Centers of Excellence, with nearly 70 partner universities in 26 states.

Additional information about the Senators’ letter is available from Amy Scott of the AAU staff at amy_scott@aau.edu.

OTHER CONGRESSIONAL DEVELOPMENTS

PENSION BILL INCLUDES CHARITABLE DEDUCTION PACKAGE  NEW

The pension reform package cleared by the Senate yesterday for the President’s signature includes a package of charitable deduction provisions, including the long-sought provision to allow taxpayers to donate monies from their individual retirement accounts (IRAs) tax-free to charitable organizations. The measure also tightens requirements on donor-advised funds, increases excise taxes on certain charitable activities, and requires that Unrelated Business Income Tax returns be disclosed publicly.

A technical summary of the provisions related to charitable giving and charitable organizations is available as Title XII (beginning on page 263) of a broader summary of the bill prepared by the Joint Committee on Taxation at: http://www.house.gov/jct/x-38-06.pdf.

EXECUTIVE BRANCH

DOE ANNOUNCES COMPETITION FOR TWO NEW BIOENERGY RESEARCH CENTERS  NEW

The Department of Energy (DOE) has announced a new Office of Science initiative that will provide $250 million over five years to establish and operate two new bioenergy research centers. The centers will support fundamental research on microbe and plant systems with the goal of making progress toward cost-effective production of biologically based renewable energy sources. Universities, laboratories, nonprofit institutions, and others can compete for the new centers. Awards, which will be based on scientific peer review, will be announced next summer. The centers are expected to begin work in 2008 and be fully operational by 2009.

Information about the competition, including the DOE news release, a fact sheet, and white paper are available the DOE Office of Science home page: http://www.science.doe.gov.

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