The House was in session today considering rules changes regarding the budget process, including the reinstatement of pay-as-you-go rules. The Senate was not in session. The Senate is expected to reconvene on Monday, January 8, and the House on Tuesday, January 9.

The Senate next week will begin its legislative work for the 110th Congress with a bipartisan measure to amend lobbying and ethics rules. The Senate is also expected to approve its organizing resolution.

The House will begin its 100 hours agenda Tuesday by taking up a bill to enact recommendations of the 9/11 Commission. Of particular interest to the research university community is the consideration Thursday of legislation to amend federal rules to permit more federally funded stem-cell research (see below). Also on the agenda are measures to raise the minimum wage and permit the Centers for Medicare and Medicaid Services to negotiate for lower prescription drug prices. Legislation to cut interest rates on student loans is expected to be considered the following week.

BUDGET & APPROPRIATIONS
The new Democratic chairs of the House and Senate appropriations committees yesterday announced a restructuring of their panels that will result in 12 subcommittees each, with matching jurisdictions.

Rep. David Obey (D-WI) and Sen. Robert Byrd (D-WV) agreed to create a Financial Services and General Government Subcommittee in each committee, pulling jurisdiction over the Treasury Department, Postal Service, GSA, and other agencies from the former Transportation-Treasury Subcommittee, as well as responsibility for the Judiciary and Washington, D.C. spending. The panel also will have jurisdiction over the Small Business Administration and regulatory agencies responsible for oversight of financial services and other industries, such as the FCC, SEC and FTC. These agencies were previously overseen by the Science-State-Justice panel in the House and Commerce-Justice-Science panel in the Senate.

The House committee will also restore the Legislative Branch Subcommittee, which the Senate never eliminated.

Chairs of key subcommittees will include:

Commerce, Justice, Science, and Related Agencies

Rep. Alan Mollohan (D-WV)
Sen. Barbara Mikulski (D-MD)

Defense

Rep. John Murtha (D-PA)
Sen. Daniel Inouye (D-HI)

Energy and Water Development

Rep. Peter Visclosky (D-IN)
Sen. Byron Dorgan (D-ND)

Homeland Security

Rep. David Price (D-NC)
Sen. Robert Byrd (D-WV)

Interior, Environment, and Related Agencies

Rep. Norm Dicks (D-WA)
Sen. Dianne Feinstein (D-CA)

Labor, Health and Human Services, Education, and Related Agencies

Rep. David Obey (D-WI)
Sen. Tom Harkin (D-IA)
OTHER CONGRESSIONAL DEVELOPMENTS

HOUSE AND SENATE READY STEM CELL BILLS FOR EARLY CONSIDERATION

In the next few days, House and Senate Democratic leaders plan to reintroduce the Stem Cell Research Enhancement Act, the bill that was approved last year by Congress and vetoed by the President. The House bill (H.R. 3) is tentatively scheduled for floor consideration on January 11. The Senate bill (S. 5) is not yet scheduled for floor consideration, but the best guess is late January or early February. A joint hearing on the bill will be held January 22 by the Senate Health, Education, Labor, and Pensions Committee and the Senate Labor-HHS-Education Appropriations Subcommittee. No details on the hearing are yet available.

As approved last year, the bill (then H.R. 810) would broaden the current federal policy on human embryonic stem cell research to authorize federally funded work on cell lines derived from embryos developed from in-vitro fertilization that otherwise would be discarded.

AAU has cosigned a letter circulated by the Coalition for the Advancement of Medical Research (CAMR) urging Members of Congress to support the measure.

HOUSE DEMOCRATS ANNOUNCE PLAN FOR CUTTING STUDENT LOAN INTEREST RATES

As part of their first 100 hours agenda, House Democrats have indicated that the House will consider on January 17 legislation that would cut interest rates on new subsidized undergraduate student loans in half. The College Student Relief Act of 2007 is expected to phase in the interest rate cuts over five years, dropping the rates from the current 6.8 percent to 3.4 percent in 2012. The interim rates would be: 6.12 percent in 2007; 5.44 percent in 2008; 4.76 percent in 2009; 4.08 percent in 2010; and 3.40 percent in 2011. Democrats stated that, when fully implemented, the measure would save the typical borrower – with $13,800 in need-based loan debt – approximately $4,400 in interest costs over the life of the loan.

Under the pay-as-you-go rules adopted by the House today, an offset will be required for the cost of the bill. None has been identified.

A committee announcement also stated the following: “This interest rate reduction is the first component of Democrats’ plans to make college more accessible and affordable for all qualified students. In the 110th Congress, Congressman George Miller (D-CA), the Chairman of the Education and Labor Committee, also plans to examine other ways to make college more affordable, including: raising the maximum Pell Grant scholarship; working with colleges and other relevant stakeholders to devise strategies to address costs; and examining the cost effectiveness of the different student loan programs.”

EXECUTIVE BRANCH

NIH ANNOUNCES EXTENSION OF FY06 SALARY CAP
The National Institutes of Health (NIH) announced yesterday that the salary cap for individuals under NIH grant, cooperative agreement, and contract awards that was included in the FY06 appropriations bill remains in effect under the current FY07 continuing resolution. Such salary caps, NIH notes, have been mandated by Congress for 18 years.

The salary limit is set at Executive Level I of the Federal Executive Pay scale. NIH notes that this limit was raised, effective January 1, 2007, to $186,600.

A link to historical salary rates with the updated 2007 salary levels is available here: http://grants.nih.gov/grants/policy/salcap_summary.htm.

OTHER

AAU URGES ADDED FUNDING FOR RESEARCH IN FY07 CR

AAU President Robert Berdahl sent a letter to House and Senate leaders on December 22 urging them to provide added funding in the final FY07 continuing resolution (CR) for three key federal research agencies. Specifically, the letter urges Democratic and Republican leaders to provide the funding increases for the National Science Foundation, the Department of Energy Office of Science, and the National Institute of Standards and Technology which had been approved overwhelmingly last year by the House and by the Senate Appropriations Committee.


ORGANIZATIONS URGE ADDED FUNDING FOR LABOR-HHS-EDUCATION PROGRAMS IN FY07 CONTINUING RESOLUTION (CR)

More than 200 organizations and associations, including AAU, sent a letter January 4 to Democratic leaders in the House and Senate urging them to allocate additional funding in the final FY07 continuing resolution (CR) for programs funded under the Labor-HHS-Education appropriations bill. The groups are requesting the funding level approved by the Senate in the Specter-Harkin budget amendment, which is $7 billion above the President’s FY07 request.


AAU POSTING FEDERAL AGENCIES’ FUNDING GUIDANCE UNDER FY07 CR

Federal agencies whose budgets are covered under the FY07 CR have begun issuing guidance on how they will handle grants and awards if the new Democratic Congress approves a year-long CR that freezes most agency budgets at FY06 levels.

AAU will post links to those documents on the AAU Web site as they become available. Guidance from the National Institutes of Health (NIH) and the Department of Education can be accessed from the AAU Web site at: http://www.aau.edu/budget/fy2007.cfm#cr.
In September 2005, the Federal Communications Commission (FCC) issued an order extending the Communications Assistance for Law Enforcement Act (CALEA) to providers of broadband Internet access, including colleges and universities. The order requires such providers to engineer their systems in a way to allow law enforcement agencies to conduct court-ordered wiretaps more easily and less expensively.

Although most colleges and universities are exempt from CALEA because they operate “private networks,” some are subject to the CALEA provisions. Under a public notice released by the FCC on December 14, institutions subject to CALEA must file two reports in the next several weeks: a monitoring report, by February 12, and a system security report, by March 12.

EDUCAUSE on January 3 sent campus information officers a broad announcement about CALEA compliance. The organization recommends against filing CALEA reports unless an institution is in fact required to do so. Additional information about CALEA, including information on how institutions might determine if they are exempt from CALEA or subject to its reporting requirements, is available on the EDUCAUSE Web site at: http://www.EDUCAUSE.edu/calea.

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