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CONGRESSIONAL SCHEDULE  NEW

Following the week-long Memorial Day recess, the Senate will return on Monday, June 4, and the House will return on Tuesday, June 5.

The Senate will probably spend all of next week on the comprehensive immigration reform bill (S. 1348). CongressDaily reports that Senate Majority Leader Harry Reid (D-NV) hopes to take up energy legislation the following week, along with the Defense authorization bill (S. 567).

The House next week is expected to take up legislation to ease federal restrictions on embryonic stem cell research (see item below), as well as a measure to authorize funding for economic and military assistance for Afghanistan for fiscal years 2008-2010.

BUDGET & APPROPRIATIONS

HOUSE APPROPRIATIONS SUBCOMMITTEE ALLOCATIONS NOW AVAILABLE  UPDATED

The House Appropriations Committee has allocated its FY08 discretionary spending total of $953 billion among its 12 subcommittees, with significant increases for the four subcommittees of greatest interest to AAU: Commerce-Science-Justice; Energy & Water; Interior-Environment; and Labor-HHS-Education. Two of the bills, Energy & Water and Interior, have already been
marked up in subcommittee. Labor-HHS-Education is expected to be marked up next Thursday, June 7, and Commerce-Science-Justice next Friday, June 8.

The subcommittee allocations will be formalized when the committee approves them on Tuesday, June 5.

As provided by the FY08 Congressional budget resolution, the discretionary spending total is $20.2 billion above the President’s FY08 request. The largest increase among the four key subcommittees is for Labor-HHS-Education, which received $9.1 billion above the President’s request, or $5.5 billion above the FY07 level. Energy and Water received $1.1 billion above the President’s request, or $1.3 billion above FY07; Interior received $1.9 billion above the request, or $1.2 billion above FY07; and Commerce-Science-Justice received $2.1 billion above the request, or $3 billion above FY07.

As previously reported (CFR Update 07-#43, 05-23-07), the Energy and Water Subcommittee provided the Department of Energy Office of Science with $4.5 billion, or $719 million above FY07 and $118 million above the President’s FY08 request. The Interior Subcommittee provided the National Endowment for the Humanities with a budget of $160 million, or $19 million above both FY07 funding and the FY08 request.

OTHER CONGRESSIONAL DEVELOPMENTS

HOUSE WILL CONSIDER STEM CELL LEGISLATION AGAIN NEXT WEEK

The House is expected to vote next Wednesday or Thursday on the Stem Cell Research Enhancement Act (S.5), the stem-cell legislation approved by the Senate on April 11. The bill, which is supported strongly by the research community, would authorize federal funding of human embryonic stem cell research conducted on cell lines derived from embryos left over from in-vitro fertilization that otherwise would be discarded. Under current law, federal funding may be used only on a limited number of human embryonic stem cell lines derived before the President’s policy was announced in August 2001.

Although the House approved similar legislation (H.R. 3) earlier this year, S. 5 contains added language encouraging the National Institutes of Health to pursue other forms of stem cell research. The President has vowed to veto the bill if it reaches his desk.

SENATE FINANCE COMMITTEE LEADERS URGE TREASURY SECRETARY TO EXPAND TAX REPORTING BY NONPROFIT UNIVERSITIES AND HOSPITALS

As part of their continued interest in tax policies affecting nonprofit institutions, particularly major universities and hospitals, the leaders of the Senate Finance Committee on May 29 sent a letter to Treasury Secretary Henry Paulson urging him to expand tax reporting requirements for these “large, complex institutions.” Senators Max Baucus (D-MT) and Charles Grassley (R-IA) asked the Secretary to require nonprofit organizations to provide greater information on their 990 tax forms, particularly in the areas of executive compensation, endowments, related organizations, joint ventures, and governance. “While we always hear that sunshine is the best disinfectant, sunshine can’t do its work unless we open the blinds,” they wrote.
A copy of the Senators’ letter and accompanying press release are available on the Senate Finance Committee Web site at:


A set of frequently asked questions about college and university endowments prepared by the National Association of College and University Business Officers is available on the AAU Web site at: http://www.aau.edu/issues/Endowment_FAQs_053007.pdf.

SENATE IMMIGRATION BILL CONTAINS POSITIVE AND NEGATIVE ELEMENTS FOR HIGHER EDUCATION

The Senate will resume debate next Monday on the comprehensive immigration bill, the Secure Border, Economic Opportunity and Immigration Reform Act (S.1348). The bill, which was considered on the Senate floor last week, is the result of negotiations among a small, bipartisan group of Senators led by Edward Kennedy (D-MA) and Arlen Specter (R-PA).

In its current form, the bill includes several provisions beneficial to higher education. It would raise the annual H-1B visa cap from 65,000 to 115,000 and provide a “market-cap escalator” to increase the cap by 15 percent in those years when the annual cap is reached. The measure also would create a new F-4 visa category for students in advanced science, technology, engineering, and mathematics degree programs and extend optional practical training from the current 12 months to 24 months for both F-1 and F-4 visa holders. In addition, the bill includes a provision commonly known as the DREAM Act, which would permit states to provide in-state tuition or other higher education benefits to the children of undocumented immigrants.

The bill also contains provisions of concern to the higher education community. These include:

1. Clarification on Nonimmigrant Intent: Although the bill includes a new F-4 visa for students seeking graduate degrees in natural science, information technology, engineering, and mathematics, it does not fully eliminate the nonimmigrant intent requirement for F-4 visa holders. Under the bill, F-4 visa holders would no longer have to prove that they have a residence abroad that they have no intention of abandoning. However, the bill does not eliminate the requirement that these students prove that they are entering the U.S. “temporarily and solely for the purpose of study.” Unless the bill language is clarified, F-4 students could still be required to prove their intent to leave the U.S. following their studies.

2. Nonimmigrant Intent for H-1B: Under current law, H-1B visa holders are allowed to come to the U.S. and work temporarily with the intent to become immigrants or work here permanently. The Senate bill would effectively require these foreign nationals to prove to U.S. officials that they do not intend to immigrate or stay permanently.

3. Non-displacement Requirements of U.S. Workers: The bill prevents employers from displacing U.S. workers 180 days before and after filing an H-1B petition. Such a provision would have a significant impact on an employer’s ability to file a petition for an H-1B visa.

4. H-1B Visas for Advanced Degree Holders: Under current law, there are 20,000 H-1B visas specifically for foreign nationals with advanced degrees. The Senate bill would eliminate this set-aside.
5. **Merit-Based Green Card System:** The bill eliminates the existing employer-sponsored and visa preference system and replaces it with a merit-based evaluation system under which applicants would receive points for such attributes as their education level, English proficiency, and occupation. But applicants receiving the most points would not necessarily have the skill sets or training needed by U.S. employers—including university employers.

6. **Limit on H-1B Visas for Medical Residents:** The Senate bill prohibits foreign nationals who are in the U.S. for graduate medical education or training from changing their status from a short-term J-1 visa to a work-related H-1B visa. This means that medical residents would have to complete their training before they could apply for an H-1B visa.

7. **Degree Equivalency and Experience:** The Senate bill requires a foreign national to have a degree in a specific specialty in order to qualify for an H-1B visa. This provision eliminates the ability of a foreign national to use experience or an equivalent degree in a related field to qualify for a job.

AAU, the National Association of State Universities and Land-Grant Colleges, and the American Council on Education are drafting a letter to the Senate expressing their views on the legislation.

**CANTWELL IMMIGRATION AMENDMENT ADDRESSES SEVERAL HIGHER EDUCATION CONCERNS**

In response to concerns raised by the higher education and business communities about the Senate immigration bill, Senators Maria Cantwell (D-WA), Patrick Leahy (D-VT), John Cornyn (R-TX), and Orrin Hatch (R-UT) introduced an amendment that would create an employer-sponsored merit-based system; restore the 20,000 visa set-aside for advanced degree holders; eliminate the nonimmigrant intent requirement for H-1B and L visas; and restore degree equivalency. Their amendment is likely to be taken up Tuesday during Senate consideration of the bill. It is strongly supported by the higher education and business communities, including AAU.

**REPS. HOLT AND CASTLE ASK MEMBERS TO SIGN LETTER TO REESTABLISH OFFICE OF TECHNOLOGY ASSESSMENT**

Reps. Rush Holt (D-NJ) and Michael Castle (R-DE) have sent a letter to their colleagues asking them to cosign a letter to House appropriators urging them to re-establish the congressional Office of Technology Assessment (OTA). The deadline for cosponsors is Monday, June 4. The congressmen plan to send the letter to the chair and ranking member of the House Legislative Branch Appropriations Subcommittee on Tuesday, in advance of the Wednesday markup of the panel’s FY08 appropriations bill. AAU has not taken a position on the proposal.

OTA was created in the early 1970s to provide Congress with expert technical analysis of policy issues and legislation, in such areas as oil shale development and upgrading federal computer systems. Congress eliminated the office in 1995.

Additional information about the Dear Colleague is available from Don Engel in Rep. Holt’s office at 202-225-5801.

**STEM EDUCATION CAUCUS PLANS JUNE 5 BRIEFING**
ON UNDERGRADUATE RESEARCH

The House Science, Technology, Engineering, and Mathematics (STEM) Education Caucus will host a luncheon briefing on Wednesday, June 5, to discuss how undergraduate research opportunities are improving U.S. competitiveness.

The briefing, which is cosponsored by the American Chemical Society and the Council of Undergraduate Research, will be held June 5 from 12:00-1:30 p.m. EDT in B354 Rayburn House Office Building. Those interested in attending must RSVP by today, June 1, to science_congress@acs.org or 202-872-8725 with name, affiliation, phone number, and e-mail address.

OTHER

NASFAA ADOPTS NEW CODE OF CONDUCT FOR FINANCIAL AID PROFESSIONALS  NEW

The National Association of Student Financial Aid Administrators (NASFAA) yesterday announced that it has updated its code of conduct for institutional financial aid professionals. The new rules respond to investigations by the New York Attorney General and others that found questionable agreements and practices between some student aid administrators and student lenders.

At a press conference on May 31 with New York Attorney General Andrew Cuomo, NASFAA President Dallas Martin also announced that the association would no longer allow lenders to sponsor meals and other events at its annual and regional conferences, and that the association would submit to five years of oversight by the Attorney General’s office.

The new code of conduct includes six key principles for student aid administrators:

- Refrain from taking any action for his or her personal benefit.
- Refrain from taking any action he or she believes is contrary to law, regulation, or the best interests of the students and parents he or she serves.
- Ensure that the information he or she provides is accurate, unbiased, and does not reflect any preference arising from actual or potential personal gain.
- Be objective in making decisions and advising his or her institution regarding relationships with any entity involved in any aspect of student financial aid.
- Refrain from soliciting or accepting anything of other than nominal value from any entity (other than an institution of higher education or a governmental entity such as the U.S. Department of Education) involved in the making, holding, consolidating or processing of any student loans, including anything of value (including reimbursement of expenses) for serving on an advisory body or as part of a training activity of or sponsored by any such entity.
- Disclose to his or her institution, in such manner as his or her institution may prescribe, any involvement with or interest in any entity involved in any aspect of student financial aid.

The updated code of conduct is available at:

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