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CONTENTS
CONGRESSIONAL SCHEDULE  NEW
BUDGET & APPROPRIATIONS
House Appropriations Schedule Delayed  NEW
House Republicans Back Up White House Veto Threats Against Appropriations Bills  NEW
Chairman’s Statement on House C-J-S Funding Bill Now Available
Senate Appropriations Committee Approves Subcommittee Allocations
House Reconciliation Bill Contains Significant Cost Reporting Requirements
OTHER CONGRESSIONAL DEVELOPMENTS
Senate Expected to Resume Consideration of Immigration Bill  NEW
OTHER
AAU Comments on Follow-On Biologic Products Legislation
Associations Urge Appropriators to Retain Accreditation Limitation Legislation
Innovation Task Force Thanks Appropriators for Increased DOE Science Funding  NEW
AAU-NASULGC Letter Thanks Rep. Obey for Student Aid Funding Increases and Urges Restoring Momentum for NIH Funding
Student Aid Alliance Thanks Rep. Obey for Pell Grant Increase
SUNY Appoints Liz LaPolt Clark as New Director of Federal Relations  NEW

CONGRESSIONAL SCHEDULE  NEW

Both the House and Senate were in session today. The House approved the FY08 Homeland Security appropriations bill (H.R. 2638) on a vote of 268-150 and also took up the Military Construction-Veterans funding bill (H.R. 2642). The Senate continued consideration of an energy policy bill (H.R. 6).

The House next week will continue consideration of the FY08 appropriations bills, including Energy and Water Development (H.R. 2641, H. Rpt. 110-185) and possibly Interior (H.R. 2643, H. Rpt. 110-187).

The Senate next week will continue debate on the energy authorization bill (H.R. 6). Although Senate Democratic and Republican leaders have indicated that the Senate will go back to the immigration bill following completion of the energy bill, CQToday reports that this will not occur until late next week and more likely the week after.

BUDGET & APPROPRIATIONS
House Democratic and Republican leaders last night reached agreement on how to proceed with floor consideration of the FY08 appropriations bills. Republican leaders had effectively blocked consideration of the bills, citing concern that earmarks and their sponsors would not be added to the bills until after floor consideration.

As detailed by CQ Today, the agreement permitted the House to conclude work today on the Homeland Security funding bill and take up the Military Construction-Veterans bill as well. The House will take up the Energy and Water Development bill early next week. None of the three measures will include congressional earmarks, but the Energy and Water bill will not be sent to the Senate until the House approves a package of earmarks to be added to the bill.

The remaining nine appropriations bills will have earmarks added in committee, delaying their consideration on the floor by at least a few weeks. As a result, House leaders will not be able to fulfill their hope of pushing 11 of the 12 appropriations bills—minus Defense—through the House before the July 4 recess.

Congress Daily reports that floor consideration of the Interior, Environment, and Related Agencies bill is expected next week, and Commerce-Justice-Science might also be considered before the July 4 recess. Labor-HHS-Education, Transportation, and Agriculture will be considered after the July recess, as will Defense.

According to CQ Today, the House is likely to approve a rule on Monday, June 18, to allow points of order against earmarks added to appropriations bills during conference negotiations with the Senate.

At this time, the Senate appropriations schedule appears to be unaffected by the House delays. The Labor-HHS-Education subcommittee still plans to consider its FY08 bill on Tuesday, June 19, with full committee action scheduled for Thursday, June 21.

House Republicans announced June 14 that they had collected 147 signatures on a letter to President Bush pledging to vote to sustain any vetoes of FY08 appropriations bills due to their spending levels. With two vacant seats in the House, it takes 145 votes against an override to sustain a veto.

The pledge to the President applies to any veto issued because a bill “would contribute to an overall spending level that exceeds your budget request…” A press release about the pledge is posted on the Republican Study Committee Web site at: http://www.house.gov/list/press/tx05_hensarling/rsc/061307Appropsletter.html.

The White House has issued specific veto threats against the Homeland Security and Energy & Water Development bills. Although the Administration has said the President would not veto the Military Construction-Veterans bill, the June 13 statement of administration policy (SAP) on the measure says, “If Congress increases VA funding above the President’s request and does not offset this increase with spending reductions in other bills, the President will veto any of the other bills that exceed his request until Congress demonstrates a path to reach the President’s top
CHAIRMAN’S STATEMENT ON C-J-S FUNDING BILL NOW AVAILABLE

The House Appropriations Committee has posted on its Web site the press release from the June 11 subcommittee markup of the FY08 Commerce-Justice-Science appropriations bill. The release provides additional information on funding for the National Science Foundation (NSF) and NASA. Full committee markup is tentatively set for Monday, June 18.

For NSF, the release says the subcommittee bill increases funding by $72 million over the FY08 request, with the additional funding slated for education. The total for NSF remains at about $6.5 billion.

For NASA, the release says the subcommittee would provide $290 million more than the Administration’s FY08 request “to restore cuts made by the Administration in the science, aeronautics and education portfolios.” The statement adds that the subcommittee bill would create new accounts within NASA: “science, aeronautics, exploration, education, cross-agency support programs, space operations, and the inspector general.” The overall increase for NASA is $4 million more than reported previously (CFR Update, 07-#48, 06-12-07).

The statement goes on to say that the bill would provide NASA science with $180 million more than the Administration requested in FY08, which would be about $5.7 billion, or $445 million above FY07 funding. Aeronautics would receive $150 million above the request, for a total of $704 million, which would still be $186 million less than FY07 funding. Education programs would receive $64 million above the FY08 request for a total of $217 million.

The bill also contains language that would continue the moratorium on funding “any research, development or demonstration activity related exclusively to Human Exploration of Mars. NASA has too much on its plate already, and the President is welcome to include adequate funding for the Human Mars Initiative in a budget amendment or subsequent year funding requests.”


SENATE APPROPRIATIONS COMMITTEE APPROVES SUBCOMMITTEE ALLOCATIONS

The Senate Appropriations Committee on June 14 approved the allocation of FY08 spending among its 12 subcommittees. The panel divided up the same $953.1 billion in discretionary spending as its House counterpart, as established in the Congressional budget resolution, but with some significant differences. The Senate panel provides $149.2 billion for the Labor-HHS-Education bill, or $1.9 billion less than the House. Commerce-Justice-Science would receive $54.4 billion, or $800 million more than the House bill, and Energy & Water would receive $32.3 billion, or $700 million more than the House. Interior, Environment and Related Agencies would receive $27.2 billion, or $400 million less than the House.

A press release on the subcommittee allocations is available on the Senate Appropriations Committee Web site at: http://appropriations.senate.gov.
HOUSE RECONCILIATION BILL CONTAINS SIGNIFICANT COST REPORTING REQUIREMENTS

New details are now available about provisions of the College Cost Reduction Act of 2007 (H.R. 2669), which was marked up June 13 by the House Education and Labor Committee. The new information is based on a manager’s amendment offered by Chairman George Miller (D-CA) at the start of the markup as a substitute for the original bill.

H.R. 2669, which is the committee’s response to reconciliation instructions included in the FY08 congressional budget resolution, aims to provide about $18 billion more for student financial aid and $750 million in net deficit reduction over the next five years.

The Senate Health, Education, Labor, and Pensions (HELP) Committee is scheduled to mark up its version of the reconciliation measure and a reauthorization of the Higher Education Act (HEA) next Wednesday, June 20, 2007.

The following information on H.R. 2669 incorporates not only the manager’s amendment but also amendments approved during markup. While some changes were made to the original bill, the legislation would still impose significant new reporting requirements with respect to college costs.

Pell Grant Provisions

- Provides an additional $500 to the Pell Grant maximum award by year 2011-12;
- Provides incremental mandatory funds for the Pell Grant, including $420 million in FY08 and increasing to $2.45 billion in FY2014;
- Increases the authorized Pell Grant maximum to $11,600 by 2012-13;
- Allows for a year-round Pell Grant for students enrolled in courses for more than two semesters, three quarters, or the equivalent in a given academic year (effective July 1, 2009);
- Allows non-traditional students (part-time students and/or students enrolled in a certificate program of study) to receive Pell Grant awards year-round; and
- (See additional provision under the College Cost Section).

Other Student Aid Provisions of Interest

- Provides $100 million in mandatory expenditures each year for five years to the Perkins Loan Program federal capital contributions (has not received funds since FY04);
- Expands eligibility for the Academic Competitiveness Grant and SMART Grant programs to permanent resident aliens and part-time students; and
- Changes the eligibility requirement for the Academic Competitiveness and SMART Grant programs to clarify that students are eligible if they are enrolled in a program of undergraduate education as part of a secondary school program of study.

Student Loan Provisions

- Increases the third and subsequent year Stafford loan limit from $5,500 to $7,500;
- Increases the aggregate Stafford loan limit from $23,000 to $30,500; and
- Provides loan forgiveness (not more than $5,000) for graduates employed in areas of national need, national service, or the public sector, to be distributed over a five-year period.
College Cost Provisions

- Authorizes a new "higher education price index," to be developed by the Bureau of Labor Statistics. The index would be "a statistical measure of change over time in the prices of a fixed market basket of goods and services purchased by colleges and universities through educational and general expenditures (excluding expenditures for research)";
- Requires colleges and universities to report to the Department of Education college affordability information, including sticker price and net tuition price for the three most recent academic years and the percentage change as calculated by the new higher education price index;
- Requires an institution to provide the Department with a report if its sticker price percentage increase exceeds twice the higher education price index rate over a three-year period. The report, to be published on the College Opportunity On-Line (COOL) Web site, must include a description of the factors contributing to the increase and a description of agencies or entities that participate in tuition and fee decisions if the determination of tuition and fees is not within the exclusive control of the institution (such as public institutions in which a state legislature may set tuition price);
- Creates a new "affordability alert status" to be imposed by the Secretary on institutions that exceed the higher education price index and fail to limit any subsequent increase in sticker price to equal to or below two times the rate of change in the higher education price index for two consecutive academic years. Some exemptions would be permitted;
- Requires institutions whose percentage increase in net tuition price exceeds the percentage increase in the higher education price index to submit to the Department within six months a "detailed report on the exact causes for the net tuition price increase that outlines revenues and expenditures ... and cost containment strategies to lower net tuition prices;"
- Creates new incentives and rewards for institutions whose annual net tuition price increase is equal to or less than the percentage change in the higher education price index in a given academic year or that guarantee tuition price for four years (the bill notes specific conditions). Pell Grant recipients at such institutions would receive a 25-percent increase in their award in the next award year;
- Requires states to sustain their support of public colleges and universities at an amount equal to the preceding five-year average or risk losing all Leveraging Educational Assistance Partnership funds. The Secretary may waive the requirement due to uncontrollable circumstances, such as a natural disaster or unforeseen decline in financial resources;
- Requires the Department to redesign its COOL Web site to provide more useful and comparative information and to make it more user-friendly;
- Requires the Department to continue to redesign IPEDS to include additional data that improves the usefulness and timeliness of available information; and
- Requires the Department to publish on the COOL Web site each academic year a College Consumer Profile on each institution of higher education participating in federal student aid programs. Each profile would include:
  - an institution's tuition, fees, room and board;
  - average amount of financial aid broken out by type and source;
  - the number of students receiving financial aid;
  - instructional expenditures per full-time equivalent student;
  - number of full-time and part-time students and percentage of resident and non-resident students;
  - faculty-to-student ratios;
  - number and percentage of faculty who are part-time and full-time;
• completion and graduation rates;
• a link to an institution's information on mission, accreditation, student services, transfer of credit policies, placement rates and other measures of success in preparing students for entry or advancement in the workforce;
• college affordability information, including sticker price and net tuition price for the three most recent academic years and the percentage change as calculated by the new higher education price index; and
• "any additional information the Secretary may require."

OTHER CONGRESSIONAL DEVELOPMENTS

SENATE EXPECTED TO RESUME CONSIDERATION OF IMMIGRATION BILL

NEW

Senate leaders announced last evening that they will resume consideration of the immigration reform bill (S. 1348) that was pulled from the Senate floor on June 7. The bill will be taken up following consideration of the energy policy bill. CongressDaily reported this afternoon that Senate Majority Leader Harry Reid (D-NV) told Senators today that they should plan to work on immigration through next weekend. He said the weekend session would be needed in order to complete work on energy and immigration before the July 4th recess. If the work is not completed by then, he said, the Senate might need to work into the recess, as well.

CQToday reports that under the leadership agreement, Democrats and Republicans would likely be limited to 10 amendments each so that the bill could be finished in “a matter of days.” It notes that Senate leaders made “no promises about the substance of the legislation.”

AAU and the National Association of State Universities and Land-Grant Colleges (NASULGC) detailed concerns about S. 1348 in a letter sent to all members of the Senate on June 6, stating:

“We believe that, if not amended or removed from the bill, a number of provisions, taken together, would force dramatic alterations in how America’s colleges and universities seek to attract teaching and research talent from abroad. As a result, the legislation would seriously weaken our ability to compete with institutions in other countries that are working harder all the time to retain their own talent and attract the best talent from others.”

The letter is available on the AAU Web site at: http://www.aau.edu/homeland/Ltr_AAU-NASULGC_S1348_6-6-07.pdf.

OTHER

AAU COMMENTS ON FOLLOW-ON BIOLOGIC PRODUCTS LEGISLATION

AAU sent a letter to leaders of the Senate Health, Education, Labor, and Pensions (HELP) Committee on June 14 regarding proposed legislation to create abbreviated approval of follow-on biologics (FOBs). The AAU letter asks Chairman Edward Kennedy (D-MA) and Ranking Member Michael Enzi (R-WY) to ensure that as they develop legislation on FOB products, they avoid creating barriers to university technology transfer.
Specifically, the letter asks that the legislation the Senators are developing provide a period of data exclusivity for drug developers that is sufficient to encourage them to invest in early-stage research. “If the legislation does not provide a period of exclusivity commensurate with the attendant risk, such investments will become an irrational business decision, and the companies which make these investments will cease to do so…”

Moreover, an inadequate period of data exclusivity would make patents the principal barrier to marketing a follow-on biologic, thus “creating an incentive for FOB applicants to challenge the patents protecting an innovator’s product.” Because universities own many patents in this field, “the legislation could expose our institutions to a new wave of costly litigation.”

The AAU letter is available on the AAU Web site at: http://www.aau.edu/intellect/Ltr_Berdahl_Kennedy_Biologics_61407.pdf.


A statement at the hearing by Health Subcommittee Chairman Frank Pallone (D-NJ) is available separately at: http://energycommerce.house.gov/Subcommittees/HE-Pallone/pallone_statement_biosimilars_hrg.pdf.

ASSOCIATIONS URGE APPROPRIATORS TO RETAIN ACCREDITATION LIMITATION LEGISLATION

Thirty-nine higher education associations, including AAU, sent a letter on June 13 to all members of the House urging them to retain language in the House FY08 Labor-HHS-Education appropriations bill that would prohibit the Department of Education from promulgating or implementing new regulations on accreditation. The language was included in the bill approved in subcommittee on June 7, but reports indicate that one or more Members may try to eliminate the provision during full committee markup.

The letter from the higher education associations states that “the Department’s rigid, top-down, one-size-fits-all approach to accreditation would seriously undermine the historic and highly successful relationship between higher education and the federal government.”

The associations’ letter is available on the AAU Web site at: http://www.aau.edu/budget/Ltr_ACE_Accrd_61307.pdf.

INNOVATION TASK FORCE THANKS APPROPRIATORS FOR INCREASED DOE SCIENCE FUNDING

The Task Force on the Future of American Innovation, in which AAU participates, today sent a letter to House appropriators thanking them for the substantial funding increase for the Department of Energy (DOE) Office of Science included in the House FY08 Energy & Water appropriations bill. The task force, which represents “much of the nation’s business, scientific, and research university communities,” wrote that the funding level for the Office of Science would “significantly advance America’s economic competitiveness and would help to accelerate the creation of high-wage jobs and high-value-added industries in this country.”
AAU-NASULGC LETTER THANKS REP. OBEY FOR STUDENT AID FUNDING INCREASES AND URGES RESTORING MOMENTUM FOR NIH FUNDING

AAU and the National Association of State Universities and Land-Grant Colleges (NASULGC) sent a letter to House Appropriations Committee Chairman David Obey (D-WI) on June 12 thanking him for the panel’s FY08 funding increases for student aid programs. “Once again, you have demonstrated your strong and continued commitment to higher education,” said the letter. The letter also expressed hope that funding for the National Institutes of Health (NIH) could be enhanced later in the appropriations process. “We are well aware of the strong support for NIH in the subcommittee and the constraints within which the bill was written,” the associations wrote. “We look forward to working with you and the full committee to enhance NIH funding later in the appropriations process.”


STUDENT AID ALLIANCE THANKS REP. OBEY FOR PELL GRANT INCREASE

The Student Aid Alliance, in which AAU participates, has sent a letter to House Appropriations Committee Chairman David Obey (D-WI) thanking him for the Pell Grant increase in the FY08 Labor-HHS-Education appropriations bill.

The letter is available on the AAU Web site at: http://www.aau.edu/budget/Ltr_SAA_Obe%20Pell%20Increase_061107.pdf.

SUNY APPOINTS LIZ LAPOLT CLARK AS NEW DIRECTOR OF FEDERAL RELATIONS

The State University of New York (SUNY) system has announced the appointment of Elizabeth LaPolt Clark as its new director of federal relations, beginning July 27. Ms. Clark, who currently is director of federal relations for Oregon State University, also served as associate director of federal relations for Cornell University, where she established Cornell’s Washington, D.C.-based federal relations office.

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