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CONGRESSIONAL SCHEDULE  NEW

The House was not in session today. The Senate, following a late-night session to complete the
FY08 reconciliation bill (see item below), met but conducted no roll call votes.

The House next week is scheduled to take up the FY08 Transportation appropriations bill (H.R.
3074) on Monday and the FY08 Commerce-Justice-Science funding bill (H.R. 3093) on
Tuesday. CongressDaily reports that debate on the farm bill (H.R. 2419) could begin Thursday
if the bill is ready, and that the chamber might vote on a stand-alone bill to block permanent U.S.
military bases in Iraq or on another war-related bill.

The Senate on Monday will begin consideration of the Higher Education Act reauthorization bill
(S. 1642) (see item below). Senate Democratic leaders also hope to take up the FY08 Homeland
Security appropriations bill (H.R. 2638) next week. This would be the first of the 12 FY08
appropriations bill considered on the Senate floor. Also possible for floor action is legislation
reauthorizing the State Children’s Health Insurance Program (S. 625).

According to CQToday, Senate Majority Leader Harry Reid (D-NV) said Thursday that he hopes
the Senate this month can also consider the bill implementing recommendations from the 9/11
commission (H.R. 1) and a conference report on the lobbying overhaul bill (S. 1).
The Senate early this morning approved its version of the FY08 reconciliation bill (S. 1762) by a vote of 78-18. Earlier, the chamber defeated by a vote of 35-62 an amendment offered by Senators Ben Nelson (D-NE) and Richard Burr (R-NC) that would have reduced new funding for student aid programs in the bill by about $3 billion. The Senate also voted down 42-55 an amendment by Senator Jeff Sessions (R-AL) to strike a provision providing loan forgiveness for borrowers who serve in public sector employment for a 10-year period. The Senate approved by voice vote an amendment by Senator Lindsey Graham (R-SC) to remove the provision in the bill that would have eliminated the question on the FAFSA that asks students whether they have been convicted of possessing or dealing illegal drugs.

S. 1762 would provide $17.4 billion in new funding for student aid programs over five years, paid for by reducing lender subsidies by $18.3 billion, with the additional savings allocated to deficit reduction. Among other elements, the bill would use the new student aid funding to create new “Promise Grants” for the neediest Pell Grant recipients, provide debt forgiveness for public sector workers, and allow income-contingent loan repayments. The Nelson-Burr amendment would have cut the reduction in lender subsidies by about $3 billion, reducing by that amount the savings available for student aid.

The Senate approved an amendment by Health, Education, Labor and Pensions (HELP) Committee Chairman Edward Kennedy (D-MA) to increase authorized funding for the proposed Promise Grant program in FY14-17, as well as an amendment offered by Senator Lisa Murkowski (R-AK) to redirect $176 million from deficit reduction to the College Access Partnership Grant Program.

As previously discussed (CFR Weekly Wrap-up, 07-13-07), the House approved its version of reconciliation on July 11 (H.R. 2669), which, among other provisions, redirects savings from lender subsidy cuts to the Pell Grant program, cuts the interest rate for Stafford student loans in half, increases Stafford student loan borrowing limits, and creates incentives and rewards for institutions with low tuition. The White House has issued a Statement of Administration Policy (SAP) threatening to veto that bill because it “targets less than 40 percent of its new spending toward needy students while they are in school and includes new mandatory spending that is largely directed to students once they leave college and to new mandatory programs for institutions of higher education.” The SAP on H.R. 2669 is available at: http://www.whitehouse.gov/omb/legislative/sap/110-1/hr2669sap-r.pdf.

In contrast, the White House SAP for the Senate version of the bill stops short of threatening a veto. Instead, it cites a number of concerns including that it does not direct enough of its savings to the Pell Grant program and uses mandatory funding to create new aid programs. The SAP on the Senate bill can be accessed at: http://www.whitehouse.gov/omb/legislative/sap/110-1/s1762sap-s.pdf.
The House has now approved eight of 12 FY08 appropriations bills, with Transportation and Commerce-Justice-Science scheduled for floor action next week. Regarding the last two FY08 funding bills, the House Appropriations Committee approved the Agriculture funding bill on July 19 and is slated to consider the Defense bill next Wednesday, July 25.

The Senate has approved none of its FY08 appropriations bills, but Senate leaders hope to bring up the Homeland Security funding bill (S. 2638) next week. The Senate Appropriations Committee, like its House counterpart, has completed 11 of its appropriations bills, having approved the Agriculture bill on July 19. No date for markup of the Defense appropriations measure has been announced.

**HOUSE APPROVES FY08 LABOR-HHS-EDUCATION FUNDING BILL**

The House approved the FY08 Labor-HHS-Education appropriations bill (H.R. 3043) on July 19 by a vote of 276-140. Efforts to reduce overall funding in the bill were rejected, and there were no amendments aimed at cutting specific, peer-reviewed research grants funded by the National Institutes of Health (NIH).

Two amendments were approved that would increase funding for historically black colleges and special education by cutting administrative accounts at the Department of Education. House Appropriations Committee Chairman David Obey (D-WI), manager of the bill, said during floor debate last night that the cuts in administrative accounts were unlikely to survive conference.

Among the amendments defeated was one by House Energy and Commerce Committee ranking member Joe Barton (R-TX) that would have prevented about $650 million at NIH from being diverted for use by other agencies in the Department of Health and Human Services through the “program and evaluation tap.”

House members also rejected an amendment offered by Chairman Obey to eliminate all earmarks from the bill. That amendment was defeated 53-369.

**--Funding in the Bill**

The bill would provide NIH with $29.65 billion, or $1.03 billion more than the Administration’s FY08 request and $750 million more than FY07 funding.

For student aid, the bill would raise the Pell Grant maximum award to $4,700. The current level is $4,310 and the Administration requested $4,600. Funding for TRIO would increase to $868 million, or $40 million above both the FY08 request and FY07 funding, while funding for GEAR Up would rise to $323 million, or $20 million above both the FY08 request and FY07 funding.

Other programs would be held at their FY07 levels, including the Supplemental Educational Opportunity Grant, Federal Work Study, and Leveraging Educational Assistance Partnerships programs, as well as Perkins Loan cancellations.

**--Policy Provisions of Interest**

*Pub-Med Requirement* The bill includes a provision that requires scientific articles based on research funded by NIH to be freely available to the public on PubMed Central within 12 months
Higher Education Accreditation  The measure also prohibits the Department of Education from issuing regulations on the accreditation process for colleges and universities on the basis that the Department lacks sufficient authorization to do so.

--More Than 1,000 Groups Urge House Passage of Labor-HHS-Education Bill

More than one thousand organizations and institutions, including AAU, signed a letter sent to House members on July 17 urging them to vote in favor of the FY08 Labor-HHS-Education appropriations bill (H.R. 3043). The letter urges support for the bill because “America cannot sustain its global scientific and economic leadership, national security and citizens’ health and well-being without increasing its investment in these critical program areas.”

The letter was also published July 17 and 18 as a full-page ad in the Capitol Hill newspaper, Roll Call. A copy of the letter and list of co-signers are available at: http://www.aamc.org/advocacy/healthfunding/correspondence/071707.pdf.

HOUSE APPROVES FY08 ENERGY AND WATER DEVELOPMENT FUNDING BILL

The House on July 17 approved the FY08 Energy and Water Development appropriations bill (H.R. 2641) by a vote of 312-112, more than the two-thirds needed to override a threatened veto by the President. CongressDaily says the vote “represents the first cracks in GOP spending unity.” The chamber voted final passage of the measure after first approving a $1.1 billion package of earmarks for the bill. House Appropriations Committee Chairman David Obey (D-WI) originally had planned to hold the earmarks until conference with the Senate, but when the earmark-free bill was debated on the House floor in June, Republicans used procedural means to block it, demanding an opportunity to vote on individual earmarks. That impasse prompted an agreement to approve the separate package of earmarks, which was added to the funding bill for final House consideration.

The bill would provide $4.514 billion for the Department of Energy Office of Science, or $116.2 million above the President’s FY08 request and $716.7 above the FY07 funding level. (See CFR Weekly Wrap-up 06-08-07 for funding details on programs within the Office of Science at: http://www.aau.edu/publications/WR_06-08-2007.pdf.)

OTHER CONGRESSIONAL DEVELOPMENTS

SENATE TO CONSIDER HEA REAUTHORIZATION ON MONDAY, JULY 23

The Senate will begin floor consideration of the Higher Education Act (HEA) reauthorization bill (S. 1642) on Monday, July 23. Twelve amendments will be allowed, six per side, with eight total hours of debate.

AAU staff will provide additional information to the CFR about potential amendments and other issues as it becomes available.
The White House SAP on the Senate reconciliation bill (see item above) includes a statement on the HEA reauthorization bill expressing concern about a number of issues. One issue is the bill’s provisions related to college costs. The statement reads:

In addition, the Administration opposes tuition price controls and is concerned about the bill’s higher education price index. While college affordability is a worthy goal, pricing of services like higher education is complicated, and government attempts to compare and “index” prices can have unintended consequences. The Administration does support efforts to improve transparency in this area and looks forward to working with Congress to help families make informed, data-driven decisions.

The House Education and Labor Committee has not yet marked up its own version of HEA reauthorization. Congress extended existing law through July 31, but one or more additional extensions will be necessary.

HOUSE AND SENATE JUDICIARY COMMITTEES EACH APPROVE PATENT REFORM LEGISLATION

The House and Senate judiciary committees this week approved their respective versions of patent reform legislation (H.R. 1908, S. 1145). The House bill, approved in committee on July 18, incorporates a key modification supported by AAU and other higher education associations. Instead of a “second window” for reviewing patents, the bill would improve the current inter partes reexamination procedure that is administered by the Patent and Trademark Office. A group of five higher education associations, including AAU, formally endorsed this provision, which was included in the manager’s amendment.

The Senate Judiciary Committee approved its bill on July 19 by a vote of 13-5. Several amendments to S. 1145 were considered during the markup, and AAU will provide a full report soon. From a university perspective, the most significant vote in the Senate panel was the defeat of an amendment offered by Senator Jon Kyl (R-AZ) that would have improved language in the bill regarding apportionment of damages. Although Senator Kyl’s amendment was defeated, there was broad recognition among committee members that the issue of apportionment of damages, perhaps the most controversial issue remaining, needs further work before the bill goes to the Senate floor.

*CQToday* reports that bill sponsors hope the House and Senate will pass their respective bipartisan bills by fall.

Along with AAU, the higher education associations that have endorsed the improved inter partes reexamination procedure in the House bill are the American Council on Education, the National Association of State Universities and Land-Grant Colleges, the Association of American Medical Colleges, and the Council on Governmental Relations. Earlier this year, the group issued a set of comments on patent reform legislation. The document is available on the AAU Web site at: [http://www.aau.edu/intellect/STMT_ASSN_HR1908_51607.pdf](http://www.aau.edu/intellect/STMT_ASSN_HR1908_51607.pdf).

SENATE ABANDONS CONSIDERATION OF DEFENSE AUTHORIZATION BILL

NEW
Senate Majority Leader Harry Reid (D-NV) pulled the FY08 Defense authorization bill (S. 1547) from the Senate floor on July 18 when it became clear that Democrats could not overcome a Republican filibuster over a Democratic amendment to require U.S. troops to withdraw from Iraq. It appears unlikely that the bill will be considered before the August recess.

The measure authorizes $11.2 billion for science and technology (S&T) programs at the Department of Defense, four percent more than the Administration’s request. S&T includes 6.1 basic research, 6.2 applied research, and 6.3 advanced technology development.

**HOUSE S&T SUBCOMMITTEE HOLDS HEARING ON TECHNOLOGY TRANSFER**

The House Science and Technology Subcommittee on Technology and Innovation held a hearing July 17 on the future of the Bayh-Dole Act, the law that allows universities, small businesses, and nonprofit organizations to retain intellectual property rights for inventions developed with federal research funding. Among the industry and university witnesses at the hearing were Wayne Johnson, vice president of university relations at Hewlett-Packard, and Mark G. Allen, an engineering professor and inventor at the Georgia Institute of Technology.

The hearing, convened by subcommittee chairman David Wu (D-OR), aimed to examine five issues: the overall impact of Bayh-Dole on federally funded university research and technology transfer; how the law has shaped university-industry relations; how university technology transfer is affected by increasing globalization; how Bayh-Dole has influenced the dissemination of knowledge and collaboration; and what legislative changes to the law, if any, might be appropriate.

Information about the hearing, including the hearing charter, a statement by Chairman Wu, and witness statements, can be found on the committee Web site at: http://science.house.gov/publications/hearings_markups_details.aspx?NewsID=1918.

**EXECUTIVE BRANCH**

**PENN STATE PROFESSOR NAMED S&T ADVISOR TO SECRETARY OF STATE**

Secretary of State Condoleezza Rice has named Nina V. Federoff, a faculty member in the life sciences at the Pennsylvania State University, as the State Department’s new science and technology advisor. Dr. Federoff, who holds the Verne M. Willaman Chair in Life Sciences and an Evan Pugh professorship at the university, will begin serving a three-year term in August. The Penn State announcement of her appointment notes that she will be the third person to hold the position since it was established in 2000, with responsibility for enhancing scientific literacy and capacity at the State Department, as well serving as the principal liaison with the national and international scientific and engineering communities.

Dr. Federoff, who received a National Medal of Science in 2006, is a former member of the National Science Board and is an active member of the National Academy of Sciences, which nominated her for the position. She earned a Ph.D. in molecular biology at Rockefeller University.
The press release on her appointment is available on the Penn State Web site at: http://live.psu.edu/story/25120.

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