The Senate is in session today with no votes; the House is not in session.

CQToday reports that the Senate on Monday will continue work on the Fraud Enforcement and Recovery Act, S. 386, (see item below), and later in the week may consider a bill to allow bankruptcy judges to modify mortgage terms for at-risk homeowners. The chamber also will consider the nomination of Kathleen Sebelius as secretary of the Department of Health and Human Services.

The House next week is expected to take up legislation to tighten regulations on credit card companies (H.R. 627) and a bill to make it easier for federal agencies to help state and local law enforcement agencies investigate hate crimes (H.R. 1913).

Both chambers also will take up a final FY10 budget resolution if House and Senate negotiators are able to reach a conference agreement next week. Both the House and Senate this week officially appointed conferees. CQToday reports that House leaders usually do not appoint conferees until they are fairly certain they can reach a deal quickly with the Senate.

BUDGET & APPROPRIATIONS

GROUP OF 24 ASSOCIATIONS URGES MOVING PELL GRANTS TO MANDATORY SIDE OF BUDGET

A group of 24 higher education associations, including AAU, sent a letter to Members of the House and Senate on April 21 urging that conferees on the FY10 budget resolution adopt a final
budget resolution that calls for moving the Pell Grant program from the discretionary side of the federal budget to the mandatory side.

In the letter, the organizations noted that conversion of the Pell Grant Program to an entitlement could be largely funded by eliminating the Federal Family Education Loan program and moving all student lending to the federal Direct Loan Program, adding, “...[A]lthough many of our institutions remain wary of this change, they are open to considering it in order to secure an authentic Pell Grant entitlement…”

OTHER CONGRESSIONAL ISSUES

BERDAHL TESTIFIES AT HEARING ON SBIR AND STTR PROGRAMS

AAU President Robert M. Berdahl testified yesterday at a congressional hearing on the role of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs in stimulating innovation at small high-tech businesses. The hearing was held by the House Science and Technology Committee’s Subcommittee on Technology and Innovation, chaired by Rep. David Wu (D-OR).

In his written testimony, Berdahl emphasized that AAU supports the two programs “as they are currently structured.” He said, “Both programs play an important role in the nation’s overall innovation ecosystem by transforming cutting-edge, innovative ideas and research into viable, market-ready products for the American consumer.”

Berdahl expressed support for the current set-aside rates for the two programs from the research funding provided to major federal research agencies. Both programs should receive additional resources, he said, but not by increasing set-aside rates. “The best way to increase the amount of funding available to these programs is to provide steady and sustained funding increases for federally supported research,” he said.

Berdahl expressed support for permitting firms with significant venture capital funding to compete for SBIR and STTR funds. And he endorsed a number of recommendations for program reforms made in a 2008 report by the National Research Council, including:

- requiring regular program evaluations by the individual research agencies, with annual reports to Congress;
- increasing the sizes of awards to compensate for inflation and to make the program more attractive to potential applicants; and
- providing federal agencies with additional flexibility to develop follow-on SBIR funding mechanisms beyond Phase II awards.

Berdahl also asked the Subcommittee to consider creating a new program that would provide additional funding to help universities traverse the “Valley of Death” that often stands between promising ideas and commercialization.

“SBIR and STTR are, at their core, good programs that help to foster successful entrepreneurial opportunities for our nation’s scientists, engineers, and technology innovators,” he said. “However, these programs, which were created well over 20 years ago, can stand to be improved by increasing award sizes, providing flexibility in program administration and management, and
providing beyond Phase II award opportunities. We also believe that it might be time to consider supplementing these programs with a new program aimed at providing additional gap funding.”

The other hearing witnesses were Dr. Sally Rockey, Acting Deputy Director for Extramural Research at the National Institutes of Health (NIH); Jim Greenwood, president and CEO of the Biotechnology Industry Organization (BIO); and Jere Glover, attorney and executive director at the Small Business Technology Council. All of the witnesses’ written testimony can be found on the Committee’s website.

AAU EXPRESSES CONTINUING RESERVATIONS ABOUT THE FRAUD ENFORCEMENT AND RECOVERY ACT UPDATED

The Senate yesterday continued to debate the Fraud Enforcement and Recovery Act of 2009 (S. 386). The bill contains modifications of false claims act statutes that are of concern to research universities. The Senate on April 22 adopted an amendment offered by Senator Jon Kyl (R-AZ) that addressed some of these concerns.

AAU President Robert M. Berdahl yesterday wrote to Senate Judiciary Committee Chairman Patrick Leahy (D-VT) to express thanks for his support of the Kyl amendment and to state that research universities have “continuing reservations” about remaining false claims provisions of the legislation.

CQ Today reports that Senate Majority Leader Harry Reid (D-NV) has said he expects a vote Monday evening, April 27, to limit debate on the bill, with a final vote possible the following day.

STUDENT FINANCIAL AID ADMINISTRATORS CALL FOR REFORM OF STUDENT AID SYSTEM

The National Association of Student Financial Aid Administrators (NASFAA) on April 21 publicly released a report which it termed “a roadmap for transforming the student financial aid system into something that works more effectively for students, families, and our country as a whole.”

The report, “National Conversation Initiative Preliminary Report and Recommendations,” calls for significantly boosting funding for aid programs with a proven track record; consolidating duplicative programs and eliminating those that are ineffective; simplifying the student aid application process; and targeting financial aid to students most in need so they can eliminate the need to seek financing outside of the federal aid programs.

The NASFAA overview of the proposal says it “would create a single, new student loan program that combines the best aspects of the Direct Loan, FFEL, and Perkins Loan programs.”

EXECUTIVE BRANCH

NIH YOUNG FACULTY RECRUITMENT PROGRAM REQUIRES LETTERS OF INTENT BY APRIL 29
Campuses are reminded that the deadline for submitting letters of intent to participate in the National Institutes of Health (NIH) short-term faculty recruitment program is Thursday, April 29. Final applications are due one month later, on May 29.

NIH plans to obligate up to $100 million in Economic Recovery Act funds for the program by September 30, 2010, contingent on its receiving a sufficient number of “scientifically meritorious applications.”

The program, which was created to address the faculty recruitment crunch caused by the economic recession, is focused on recruiting young faculty members in biomedical research fields. Awards to institutions will provide “funding to hire, provide appropriate start-up packages, and develop pilot research projects for newly independent investigators.” Details about the program are available on the NIH website.

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