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CONGRESSIONAL SCHEDULE NEW

The House and Senate were in pro forma session today.

The House will reconvene on Tuesday, October 9, following the Columbus Day holiday. It will consider legislation to set up an affordable housing trust fund (H.R. 2895), repeal an IRS program that contracts out tax collection (H.R. 3056), and authorize funding to increase railroad safety (H.R. 2095).

The Senate will be out of session next week. When the chamber returns on Monday, October 15, it will resume consideration of H.R.3093, the FY08 Commerce-Justice-Science appropriations bill (see more information below).

BUDGET & APPROPRIATIONS

CONGRESSIONAL DEMOCRATIC LEADERS HAVE AGREED ON FY08 FUNDING ALLOCATIONS NEW

Taking a big step in moving the FY08 appropriations process forward, House and Senate Democratic leaders have reached agreement on how to allocate FY08 discretionary spending among each chamber’s 12 appropriations subcommittees. No details on the final allocations are
yet available. Typically, the House and Senate Appropriations Committees distribute their funding totals differently, so leaders in the two chambers must agree on final allocations. As CQToday notes, for example, the House FY08 Labor-HHS-Education appropriations bill provides $151 billion or nearly $2 billion more than the Senate bill.

Earlier in the week, Senate Majority Leader Harry Reid (D-NV) said Congress would begin a major push on the FY08 appropriation bills, with the goal of conferencing and sending to the President at least four bills before the current continuing resolution expires on November 16.

**SENATE APPROVES FY08 DEFENSE SPENDING BILL**

The Senate on October 3 approved by voice vote its version of the FY08 Defense appropriations bill (H.R. 3222, S. Rpt. 110-155). The measure contains no language on indirect costs. The House-passed version of the bill would limit to 20 percent the indirect cost reimbursement rate for defense basic research. This means that the issue will most likely be resolved in the House-Senate conference on the bill, expected to occur later this month. The Department of Defense (DOD) continues its strong opposition to the House language.

The Senate bill would provide $11.64 billion for science and technology (S&T) programs at DOD. This is about $550 million less than the House-passed figure of $12.19 billion and $1.68 billion less than the FY07 level. However, the Senate number is $871 million above the Administration’s request. S&T programs include defense-wide and military service funding for 6.1 basic research, 6.2 applied research, and 6.3 advanced technology development.

For additional details, see AAU FY08 Defense funding chart at: [http://www.aau.edu/budget/08DODTable.pdf](http://www.aau.edu/budget/08DODTable.pdf).

**SENATE BEGINS CONSIDERATION OF FY08 COMMERCE-JUSTICE-SCIENCE FUNDING BILL**  

The Senate on October 4 began floor consideration of the FY08 Commerce-Justice-Science (CJS) appropriations bill (H.R. 3093) but postponed final action on the measure until after the chamber’s Columbus Day recess next week.

The White House’s Statement of Administration Policy (SAP) on the Senate bill (originally S. 3093) states that the Administration “strongly opposes” the overall bill because it exceeds the President’s request by $3.2 billion. The SAP commends the bill for implementing the President’s American Competitiveness Initiative but rejects its additional $100 million for education programs at the National Science Foundation (NSF). The SAP can be viewed on the White House Web site at: [http://www.whitehouse.gov/omb/legislative/sap/110-1/hr3093sap-s.pdf](http://www.whitehouse.gov/omb/legislative/sap/110-1/hr3093sap-s.pdf).

During the floor debate, Senators approved by voice vote the “NASA Restoration” amendment adding $1 billion in emergency spending for the space agency. Amendment sponsors Barbara Mikulski (D-MD), Richard Shelby (R-AL), Kay Bailey Hutchison (R-TX), and Bill Nelson (D-FL) said the funding would reimburse NASA for costs associated with the return to flight of the space shuttle following the Columbia tragedy, which forced cuts in the science, aeronautics, and exploration accounts.
Senators Mikulski and Hutchison successfully offered the same amendment during last year’s full committee mark-up of the FY07 C-J-S appropriations bill, but the provision was not included in the final version.

The Senate committee-passed bill would provide NASA with $17.46 billion in FY08, $150 million above the Administration’s budget request but $140 million below the House level of $17.6 billion.

For the National Science Foundation (NSF), the bill includes $6.55 billion, an increase of $124 million over the Administration’s FY08 budget request and $52 million above the House-passed level.

**NIH ISSUES RESEARCH GRANT GUIDANCE UNDER THE FY08 CONTINUING RESOLUTION NEW**

The National Institutes of Health (NIH) has issued guidance for research grant recipients under the current FY08 Continuing Resolution (CR), which runs through November 16. One or more additional CRs are likely, so this guidance will be NIH policy until the agency’s final FY08 appropriation is decided.

The text of the guidance is as follows:

“Non-Competing Grant Awards Under the Current Continuing Resolution

The Department of Health and Human Services (HHS) continues to operate on a continuing resolution (CR) that currently extends through November 16, 2007.

The CR applies the terms of the FY 2007 appropriations for the period covered by the CR. Until the final FY 2008 appropriation is enacted, NIH will issue non-competing research grant awards at a level below that indicated on the most recent Notice of Award (generally up to 80% of the previously committed level). This is consistent with our practice during the CRs of FY 2006 & 2007. NIH will consider upward adjustments to these levels after the final appropriation is enacted, but expects institutions to monitor their expenditures carefully during this period.

Inquiries

Questions regarding adjustments applied to individual grant awards may be directed to the Grants Management Specialist identified on the Notice of Award.”


**SENATOR HARKIN REQUESTS COMMUNITY HELP ON FY08 LABOR-HHS-EDUCATION FUNDING BILL**

Senator Tom Harkin (D-IA) on October 3 confirmed earlier reports that the Senate FY08 Labor-HHS-Education appropriations bill (S. 1710) would be considered on the Senate floor the week of October 15. The Senate Labor-HHS-Education (LHHS) subcommittee chair told a group of
health, education, and labor groups that he expects the bill to require about a week of debate. He hopes for a quick conference with the House, enabling Congress to send a final measure to the President by November 1. It could be the first of the 12 FY08 appropriations bills to reach the President’s desk.

President Bush has said he would veto the LHHS funding bill—along with seven other appropriations bills—because total funding approved by Congress is $23 billion above his FY08 request. The LHHS bill represents about half of the $23 billion difference. Senator Harkin, noting that the Senate LHHS bill is $11 billion over the President’s request but only $7.5 billion over the FY07 level, pointed out that adoption of the President’s request would require a cut of $3.5 billion from the FY07 level.

The Senator emphasized that although he expects at least one more continuing resolution, the worst-case scenario would be if Congress adopted a year-long continuing resolution rather than pass the LHHS bill.

Funding in House and Senate Labor-HHS-Education Appropriations Bills (H.R. 3043, S. 1710).

Generally, the House bill is more generous to higher education than the Senate bill. The measure would raise the Pell Grant maximum award by $390. Funding for TRIO would increase to $868 million, or $40 million above both the FY08 request and FY07 funding. The allocation for GEAR UP would rise to $323 million, or $20 million above both the FY08 request and the FY07 level.

Unlike the House-passed measure, the Senate bill does not include discretionary funding to increase the Pell Grant maximum award. (The just-enacted FY08 budget reconciliation bill provides mandatory funding to increase the Pell Grant maximum over the next five years.) The Senate bill would fund all other student aid programs at their FY07 levels, except for the TRIO and GEAR UP programs, which would receive increases of $30 million and $10 million, respectively.

The Senate LHHS bill is more generous to NIH, providing a $1 billion increase over FY07 funding. The House measure provides a $750 million increase.

Policy Provisions of Interest.

PubMed Central. The Senate and House bills include an identical provision that would require scientific articles based on research funded by NIH to be freely available to the public on NIH’s PubMed Central within 12 months of publication. AAU sent a letter to House Appropriations Committee Chairman David Obey (D-WI) on July 17 endorsing the provision. The letter is available at:  http://www.aau.edu/budget/Ltr_PubMed_Central_2007-07-17.pdf.

Accreditation. The Senate bill contains language similar to that in the House bill which would block the Secretary of Education from promulgating new regulations regarding accreditation before Congress has a chance to act on the issue. Education Secretary Margaret Spellings sent a letter to members of the Senate Health, Education, Labor and Pensions Committee on June 20 stating that her department would not propose regulations on accreditation at this time.

Stem Cells. The stem cell provision in the Senate bill would move to June 15, 2007 the threshold date of the executive order issued by President Bush in 2001 that restricts federal funding of embryonic stem cell research to cell lines derived before August 9, 2001. The provision was added to the bill following President Bush’s June 20 veto of stem cell legislation
(S.5) that would have allowed the research use of human stem cell colonies, or lines, derived from leftover embryos from fertility clinics. The appropriations provision contains ethical guidelines that are the same as those in S. 5.

HOUSE MEMBERS SPEARHEAD LETTER ON NIH FUNDING

The Ad Hoc Group on Medical Research reports that a bipartisan group of Members is seeking cosponsors for a letter encouraging House negotiators on the FY08 Labor-HHS-Education appropriations bill to adopt a funding level for NIH that is “at least equal to the Senate level.” The Members spearheading the letter are Reps. Edward Markey (D-MA), Dave Reichert (R-WA), Janice Schakowsky (D-IL), Christopher Shays (R-CT), Joseph Courtney (D-CT), and Christopher Smith (R-NJ). The Senate committee-passed bill includes $29.9 billion for NIH in FY08, which is $250 million more than the House-passed level.

OTHER CONGRESSIONAL DEVELOPMENTS

HOUSE REPUBLICANS INTRODUCE HEA REAUTHORIZATION BILL WITH P2P PROVISION OF CONCERN NEW

Republican members of the House Education and Labor Committee on October 4 introduced their own version of legislation to reauthorize the Higher Education Act (HEA). The bill (H.R. 3746), while similar to the HEA measure considered last year in the House, contains two provisions aimed at reducing the illegal downloading of music and videos on campus through peer-to-peer (P2P) file sharing, one of which the higher education community strongly opposes.


Along with the P2P provisions, H.R. 3746 would authorize a maximum Pell Grant of $6,000; increase federal student loan limits; reduce interest rates on guaranteed student loans to the 7.9 percent rate of direct loans; establish a “single definition” of an institution of higher education; and create new restrictions on campus-lender relationships.

The P2P provision of concern is the same as the amendment developed by Senate Majority Leader Harry Reid (D-NV) during Senate consideration of HEA reauthorization (S. 1642) in July. It would require the Secretary of Education to identify each year the 25 colleges and universities that receive from the entertainment industry the most notices of illegal P2P file sharing. Within that group of schools, those with 100 or more violations would have to submit new reports to the Secretary and show they are implementing a technology-based deterrent to illegal P2P file sharing.

The higher education community opposes this provision on the basis that illegal file sharing is a broad national—and international—problem that is not limited to college campuses; the requirement for a technological fix could inhibit legitimate campus file sharing; the provision turns the Secretary of Education into an enforcement agent for the entertainment industry; and the provision ties compliance to federal student aid eligibility, thus endangering students’ ability to participate in federal financial aid programs.
A second P2P provision is the final compromise language that Senator Edward Kennedy (D-MA) worked out with Senator Reid, which the higher education community does not oppose. The compromise provision, which became part of the Senate HEA bill, would require all colleges and universities to provide their students with information on penalties for violating copyright law, campus disciplinary procedures for copyright violators, and what technological measures institutions might employ to prevent illegal file sharing.

SENATE APPROVES DEFENSE AUTHORIZATION BILL

The Senate approved its version of the FY08 Defense authorization bill (H.R. 1585) on October 1 by a vote of 92-3. CQToday reports that a conference with the House will be difficult because of significant differences between the House and Senate bills on such issues as weapons programs and procurement policies.

The Senate-passed bill authorizes $11.2 billion for science and technology (S&T) programs at the Department of Defense (DOD). This is about $433 million, or four percent, more than the Administration’s request of $10.8 billion but about 2.7 percent less than the House-passed figure of $11.5 billion. (S&T includes 6.1 basic research, 6.2 applied research, and 6.3 advanced technology development.)

The Senate S&T authorization total represents a reduction of $2.1 billion from FY07 funding, an apparent cut caused largely by the traditional omission of Defense earmarks from the previous fiscal year. The FY08 authorization bill would maintain core Defense research programs at about their FY07 levels.

The bill authorizes:

- $1.5 billion for 6.1 basic research, a five-percent increase over the Administration's request and a four-percent cut from FY07;
- $4.52 billion for 6.2 applied research, a 3.6-percent increase above the request and a 15-percent cut from FY07; and
- $5.19 billion for 6.3 advanced technology development, which is four percent above the request and 10 percent below FY07.

The breakdown of authorized spending for 6.1 basic research and 6.2 applied research is as follows:

- Army 6.1 research: $340.5 million, $34.7 million above the request but $25.4 million below FY07;
- Army 6.2 research: $748.7 million, $62.5 million above the request but $455.1 million below FY07;
- Navy 6.1 research: $477.2 million, $10.0 million above the request but $14.5 million below FY07;
- Navy 6.2 research: $704.5 million, $27.0 million above the request but $81.4 million below FY07;
- Air Force 6.1 research: $394.2 million, $19.0 million above the request but $14.3 million below FY07;
- Air Force 6.2 research: $1.03 billion, an increase of $23.2 million above the request but $121.3 million below FY07.
• Defense-wide 6.1 basic research: $287.9 million, $8.0 million above the request but $9.6 million below FY07.
• Defense-wide 6.2 applied research: $2.03 billion, $46.0 million above the request but $156.2 million below FY07.

These figures include funding for the University Research Initiative (URI) accounts in each of the services. Reportedly, the Dear Colleague letter initiated by Senators Kennedy and Collins helped prompt the Armed Services Committee to add $28 million to these accounts: an extra $9 million for the Army URI, $9 million for the Navy URI, and $10 million for the Air Force URI. The Senators’ letter is available on the AAU Web site at: http://www.aau.edu/research/Ltr_URI_Research_05-16-07.pdf.

The bill also authorizes $44.4 million for the National Defense Education Program, equal to the Administration's FY08 request.


DEFENSE UNDERSECRETARY-DESIGNATE: SECRETARY GATES REQUESTED MEMO ON S&T INVESTMENT

At his Senate confirmation hearing October 4, John Young, the President’s nominee for Under Secretary of Defense for Acquisition, Technology, and Logistics, told members of the Armed Services Committee that Defense Secretary Robert Gates had requested the internal agency memorandum Mr. Young wrote calling for significantly increased funding for Defense science and technology (S&T) programs. Mr. Young said that the Secretary had asked for his views on where greater investments could be made in basic and applied S&T. He said that although Defense S&T research programs are healthy and are at relatively high spending levels, funding could be more robust. There is need, he said, for new, non-traditional research to cope with the changing nature of the battlefield and to create breakthrough technologies.

As reported previously, Mr. Young’s memorandum said that Defense S&T programs should be expanded by $10 billion over five years to “keep pace with emerging threats.” The document specifies 20 priority areas where added investments would be particularly valuable, including “Foundational Sciences,” which AAU staff understands to be basic research. The paper says this category should receive an annual funding increase of between $300 million and $500 million over five years, providing a total five-year increase of $2 billion (as shown in the chart in the document).


OTHER

AAU INSTITUTIONS URGED TO PARTICIPATE IN FALL 2007 INTERNATIONAL STUDENT ENROLLMENT SURVEY
AAU is again partnering with a group of higher education associations to conduct the annual fall survey of international student enrollment. AAU institutions are encouraged to complete the fall 2007 enrollment survey before the deadline of Friday, October 19.

The survey can be accessed at: http://iie.websurveyor.net/wsb.dll/7/fall2007survey.htm.

Partner organizations in the survey are the American Association of Community Colleges, the American Council on Education, the Association of State Colleges and Universities, the Council of Graduate Schools, the Institute of International Education, NAFSA: Association of International Educators, and the National Association of State Universities and Land-Grant Colleges.

AAU CAMPUSES ENCOURAGED TO CELEBRATE NATIONAL ARTS & HUMANITIES MONTH

AAU campuses are encouraged to celebrate National Arts & Humanities Month during October. The month provides a unique opportunity for campus groups and individuals to call attention to the arts and humanities in a variety of ways, such as special lectures, film screenings, exhibitions, historic site tours, and performances.

The Humanities Alliance notes that it is not too late to get involved and has prepared a document, “10 Ways to Celebrate,” to help campuses organize their celebratory activities. The package also includes a sample proclamation that could be issued by university presidents and chancellors and state and local officials. The materials are available at: www.nhalliance.org/AHmonth.

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