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The House and Senate were out of session today.

CQToday reports that the House next week is expected to take up the FY09 supplemental war funding bill (no bill number), legislation to overhaul the Pentagon’s acquisition process (H.R. 2101), and a bill to authorize funding for “green” school renovation projects (H.R. 2187).

The Senate is expected to take up legislation to expand regulation of credit card companies (H.R. 627).

BUDGET & APPROPRIATIONS

ADMINISTRATION RELEASES FY10 BUDGET DETAILS    NEW

As is often the case with a new Administration, President Obama presented an outline of his proposed FY10 budget on February 26. On May 7, he and his Administration provided detailed information on specific agency and program funding. Additional fiscal data and information on tax proposals will be published on Monday, May 11.

AAU has posted on its website analyses of the FY10 budgets of those research and education agencies that the association follows, along with links to both the Administration’s overall FY10 budget documents and budget documents of the individual agencies. (Note that the National Science Foundation will not make its FY10 budget documents public until next week.)

Here is a brief summary of the FY10 funding proposals for individual agencies. Additional details are available in the agency budget materials—linked first in each item below—and the AAU analysis—linked later in each item, if available.
RESEARCH: Since the 2008 Presidential campaign, President Obama has emphasized the importance of science in addressing major national and international problems, including the need to increase the federal investment in scientific research and education.

Earlier this year, the Administration worked with congressional leaders to provide substantial funds for several scientific agencies through the American Recovery and Reinvestment Act (ARRA), to be spent over FY09 and FY10, as well as through the FY09 omnibus appropriations bill. (At the Office of Science and Technology Policy (OSTP) budget briefing on May 6, OSTP Director John Holdren said ARRA funding for research totaled about $20 billion.)

The FY10 science agency budgets make reference to those added research investments, as well as to the President’s stated commitment to bolster cancer research funding at the National Institutes of Health (NIH) and to double funding over 10 years (2006-2016) for what it terms “three basic research agencies.” These are: the National Science Foundation, the Department of Energy Office of Science, and the National Institute of Standards and Technology laboratories.

National Institutes of Health: The FY10 budget requests $30.996 billion for the National Institutes of Health (NIH), an increase of $443 million, or 1.45 percent, above the FY09 comparable level. (These figures do not include the $10.4 billion the agency received in ARRA funds.)

As previously indicated, the budget plan intends to spend $6 billion on cancer research across NIH in FY10. The proposed $268-million dollar increase for this purpose is intended as the down payment on a doubling of cancer research funding at NIH over eight years.

National Science Foundation: The Administration proposes to provide the National Science Foundation (NSF) with $7.04 billion in FY10, an increase of about $550 million, or 8.5 percent, above FY09 funding. (The total does not include the $3 billion NSF received in ARRA funds.)

The FY10 request for Research and Related Activities is $5.85 billion, an increase of $670 million or 12.9 percent, above the FY09 enacted level. The request for Education and Human Resources is $973 million, an increase of $128 million, or 15.1 percent, above the FY09 enacted level. The request for Major Research Equipment and Facilities Construction is $117 million, a reduction of $35 million, or 23 percent, from the FY09 enacted level.

Department of Defense: The Department of Defense (DOD) proposes to spend $11.65 billion on Defense S&T in FY10, an increase of $174.2 million, or 1.5 percent, above the previous Administration’s FY09 request. Defense S&T consists of budget categories 6.1 basic research, 6.2 applied research, and 6.3 advanced technology development. (With these figures, DOD continues its annual practice of eliminating nearly all congressionally designated S&T add-ons and earmarks contained in the previous year’s funding bill. Thus, the most useful comparison is with the previous year’s request, rather than the FY09 enacted level.)

Within the S&T total, 6.1 basic research would be funded at $1.8 billion, an increase of nearly $100 million, or 5.9 percent. In contrast, funding for 6.2 applied research would remain constant at about $4.2 billion; and funding for 6.3 advanced technology would rise by about $73 million, or 1.3 percent, to $5.61 billion.

Department of Energy: As a key agency in the Administration’s plans to develop alternative forms of energy, increase efficiency, and address global climate change, the Department of
Energy (DOE) is proposing a number of new science and technology initiatives, not all of which are in its Office of Science.

The DOE Office of Science would receive $4.9 billion, an increase of $184 million, or nearly four percent, above the FY09 enacted level. (This funding does not reflect the $1.6 billion the Office received in ARRA funds.)

The agency proposes funding increases for most program areas within the Office, including for Workforce Development, through which DOE will initiate a new graduate fellowship program authorized by the America COMPETES Act of 2007. The agency also requests $100 million for second-year funding for the 46 Energy Frontier Research Centers that were just announced. The budget proposes no funding for additional EFRC awards.

For the new Advanced Research Projects Agency-Energy (ARPA-E), DOE is requesting just $10 million, targeted to program direction. The agency, which is still getting organized and has just issued its first program announcement, received $400 million in ARRA funds, as well as $15 million in FY09 appropriations.

New in FY10 is a major initiative to establish eight multidisciplinary Energy Innovation Hubs, focused on addressing basic science, economic, and energy policy challenges. These centers, to be modeled after the DOE Bioenergy Research Centers, will be awarded competitively in areas already specified by DOE, and funded at about $25 million a year for five years, with the opportunity for renewal.

The agency also proposes a new clean energy education initiative to be funded at $115 million, with $80 million for higher education programs. This will include support for fellowships, internships, postdoctoral opportunities, and development of interdisciplinary masters programs in areas of clean energy.

**NASA:** The space agency budget would rise to $18.6 billion in FY10, an increase of $904 million, or 5.1 percent, above the FY09 enacted level. Much of the increase would be devoted to the Exploration Mission Directorate, which would receive a 13-percent increase, to $3.9 billion.

By contrast, the FY10 budget would slightly reduce funding for the Science Mission Directorate—down by $26 million to $4.4 billion—and provide a modest increase of $7 million for the Aeronautics Mission Directorate, which would receive $507 million.

These totals do not reflect the $1 billion NASA received in ARRA funds, which include an additional $400 million for NASA Science and $150 million for Aeronautics, to be spent over FY09 and FY10.

**Department of Education:** The President’s budget proposes $46.7 billion in discretionary funding for the Department of Education in FY10, an increase of $1.3 billion over comparable FY09 funding. As promised, the budget includes the proposal to transform the Pell Grant program into a full entitlement and increase the maximum grant each year by the consumer price index plus one percentage point.

In part to fund the Pell Grant change, the Administration would move all student loan activity to the Direct Loan Program, essentially eliminating the bank-based guaranteed loan program. The budget for the Perkins Loan program would be expanded from $1 billion to $6 billion, with an expanded group of participating institutions and a loan formula—to be developed in consultation with Congress—that “encourage[s] colleges to control costs and offer need-based aid to prevent
excessive indebtedness. It may also reward schools that enroll and graduate students from low-
and middle-income families.”

Most other higher education programs would be level-funded in the FY10 budget, including
supplemental grants, federal work-study, the three graduate education programs, and
international education programs.

**National Endowment for the Humanities:** The Administration proposes a budget for the
National Endowment for the Humanities (NEH) in FY10 of $171.3 million, an increase of $16.3
million, or more than 10 percent. However, $10 million of the proposed increase would come
from the transfer of oversight of the National Capital Arts and Cultural Affairs Program from the
U.S. Commission of Fine Arts to NEH.

Within the budget total, funding for the core research, education, preservation and access, and
public programs would increase to $61.8 million, an increase of $2.3 million, or four percent.
Support for the Federal/State Partnership Program would grow to $38.5 million, an increase of
$3.5 million, or 10 percent.

**OTHER CONGRESSIONAL ISSUES**

**ASSOCIATIONS WEIGH IN ON PATENT REFORM LEGISLATION**  *NEW*

The six higher education associations that have been working together on patent reform,
including AAU, sent a letter to Senate leaders on May 7 asking them to take the Patent Reform
Act of 2009 (S. 515) to the Senate floor.

The letter describes the bill as a measure that balances “fairly and effectively the legitimate but
sometimes conflicting interests of the many sectors affected by this legislation” and that would
“substantially strengthen the ability of the patent system to foster innovation.” The letter adds
that the associations will work with the Senate Judiciary Committee to see if there are
opportunities to improve the measure further without disrupting its careful compromises.

The associations that sent the letter were AAU, the American Council on Education, the
Association of American Medical Colleges, the Association of Public and Land-grant
Universities, the Association of University Technology Managers, and the Council on
Governmental Relations.

**HOUSE APPROVES FINANCIAL FRAUD BILL WITH FALSE CLAIMS PROVISIONS**

The House on May 6 approved legislation that includes provisions which modify the False
Claims Act. The bill, which increases the government’s ability to combat financial fraud, was
approved on the suspension calendar by a vote of 367 to 59. CQToday reports that the House
took up the Senate-passed version of the bill (S. 386) after replacing the text with its own
substitute amendment. Rep. Robert Scott (D-VA) said the measure “represents a consensus of
efforts” by the House and Senate. It remains unclear when the Senate might take up the House-
passed bill.
RESEARCHMEANSHOPE.ORG INITIATIVE SEEKS ADDITIONAL CAMPUS PARTICIPATION

A group of associations, patient groups, and institutions—including AAU—has launched a new public affairs campaign focused on the importance of biomedical research funded by the National Institutes of Health (NIH) to improved health, disease cures, and economic development around the country.

The website for the new initiative, Researchmeanshope.org, provides a variety of information about NIH-funded research, including research breakthroughs and biomedical research projects by state. Individuals can use the site to send a message to their Members of Congress about the importance of significant, annual increases in the NIH budget.

Individuals on university campuses can participate in this effort in such ways as linking to the site from their university’s website (or the AAU website), informing campus constituencies about the initiative, providing press releases about campus research breakthroughs, and engaging in social networking.

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