



AAU WEEKLY WRAP-UP

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CONGRESSIONAL SCHEDULE *NEW*

The Senate was in session today to continue consideration of the reauthorization of the State Children's Health Insurance Program (SCHIP) (H.R. 2). The House was out of session for the second day of the Republican policy retreat. To accommodate the Democratic policy retreat, the chamber will be in session next week only Monday through Wednesday.

On Monday, the Senate is expected to begin consideration of its version of the economic recovery package (S. 1). CongressDaily reports that Senate Majority Leader Harry Reid (D-NV) hopes to finish work on the bill by Friday, February 6, to provide a full week for conferencing the measure with the House package (H.R. 1). House and Senate Democratic leaders would like to finish the bill and send it to the President for signature before the week-long Presidents Day recess, which begins on February 16.

Next week, the House is expected to take up the Senate-modified version of the SCHIP reauthorization bill (H.R. 2), with the goal of approving the measure quickly and sending it to the President. Also on the schedule is a bill to delay until June the switch to digital television (S. 328).

The House also may consider the FY09 omnibus appropriations bill, but CQToday reports that House leaders may postpone that legislation because of the short work week. The omnibus funding bill is needed to sustain funding for programs funded under the current FY09 continuing resolution, which expires on March 6.

BUDGET & APPROPRIATIONS

CONGRESS MAKES PROGRESS ON ECONOMIC RECOVERY PACKAGE *NEW*

Congress continues to make progress on the economic recovery package. On Wednesday, the House approved its \$819-billion version of the measure (H.R. 1), while the Senate Appropriations and Finance committees reported out their elements of the Senate plan (S. 1), which will be packaged for Senate floor consideration next week. The Senate plan, which will go to the floor next week, now stands at about \$888 billion, and is expected to grow to near-\$900 billion on the Senate floor. (See items below for additional detail.)

House and Senate Democratic leaders hope to conference the two versions of the bill next week, with the goal of having it on the President's desk for signature by February 16, the start of the Presidents Day recess.

HOUSE APPROVES ECONOMIC RECOVERY PACKAGE

The House of Representatives on January 28 approved its \$819-billion economic recovery package (H.R. 1). The 244 to 188 vote split largely on partisan lines, with no Republicans supporting the plan and 11 Democrats voting against it.

NOTE: There have been differing reports on the amount of spending and tax benefits in the House package. The Washington Post reports, "After Democrats initially estimated their plan would cost \$825 billion, the Congressional Budget Office [CBO] announced this week that the total cost was \$816 billion, with about 65 percent of that amount expected to be spent by September 2010. During debate, lawmakers added \$3 billion for mass-transit programs."

Using the CBO analysis and including the added transit money, the House measure includes \$607 billion in spending and \$212 billion in tax provisions, for the \$819-billion total.

A [summary](#) of the major university research and higher education provisions, as announced on January 15, is available on the AAU website.

SENATE APPROPRIATIONS COMMITTEE APPROVES \$365-BILLION SPENDING MEASURE *UPDATED*

The Senate Appropriations Committee on January 27 approved the \$365-billion [spending portion](#) of the Senate's economic recovery package (S. 1), with a somewhat different mix of higher education and research funding. The committee vote was 21 to 9, with four Republicans joining all Democrats in approving the package.

NIH. The Senate committee-approved package provides an amount for the National Institutes of Health (NIH) similar to the House plan—\$3.5 billion—but allocates the funding differently. The Senate plan would provide \$2.7 billion for research, \$300 million for shared instrumentation and equipment, and \$500 million for facilities repair and construction on the NIH campus. The House plan provides \$1.5 billion for research, \$1.5 billion for renovation and upgrade of university research facilities, and \$500 million for facilities repair and construction on the NIH campus.

NASA. The Senate plan provides considerably more funding for NASA—\$1.5 billion—than the House plan. Along with \$500 million for earth sciences—which compares to the \$600 million total in the House plan for climate change and other research—the Senate includes \$250 million for aeronautics systems work, \$500 million to speed development of the next U.S. space launch vehicle, and \$250 million for NASA facilities upgrade and repair.

DOE Office of Science. While the Senate package provides \$40 billion for “development of clean, efficient, American energy,” it provides only \$430 million for the Department of Energy Office of Science. The money would support “laboratory infrastructure, construction, and advanced computing development.” This compares to \$2 billion for basic physical sciences research in the House bill.

NSF. The Senate bill would provide \$1.4 billion for the National Science Foundation, less than half of the \$3 billion included in the House package. The Senate version would provide \$1 billion for research, \$350 million for scientific infrastructure, and \$50 million for education. The House version includes \$2 billion for research grants, \$900 million for equipment, and \$100 million for science education.

Academic Infrastructure. The Senate plan provides \$3.5 billion for improvement of higher education facilities, generally, compared to \$6 billion in the House plan. The Senate bill specifies that funding is for facility modernization and instructional equipment, with funds distributed by formula in proportion to the state's share of full-time equivalent undergraduate students.

Priority is given to minority-serving institutions and institutions affected by natural disasters, as well as to projects to improve energy efficiency. The committee also gives special consideration to community colleges.

Student Aid. The Senate plan would increase funding for Pell grants by \$13.9 billion in order to cover the current shortfall and raise the maximum award by \$281 in 2009-2010 and an additional \$119 (for a total of \$400) in 2010-2011. The plan also would provide \$61 million for Perkins Loan capital contributions.

The House package would provide \$15.6 billion for Pell Grants to address the shortfall and increase the maximum award by \$500 in 2009-2010. The House measure also would add \$490 million for College Work Study and raise the annual limit on unsubsidized student loans by \$2,000.

Education Tax Credits. Both plans would modify the HOPE tax credit by creating a new American Opportunity higher education tax credit of \$2,500 for each of four years of college, with a phase-out by income. The House version is 40-percent refundable and the Senate version is 30-percent refundable.

SENATE FINANCE COMMITTEE APPROVES \$522-BILLION PORTION OF ECONOMIC RECOVERY PACKAGE *UPDATED*

The Senate Finance Committee on January 27 approved a \$522-billion package of tax and spending provisions under its jurisdiction as part of the Senate economic recovery package (S. 1). The panel agreed to \$342 billion in tax breaks and \$180 billion in new health and social spending by a vote of 14-9. Only Senator Olympia Snowe (R-ME) crossed party lines to support the measure.

Earlier, the committee voted in favor of a one-year fix of the alternative minimum tax, which raised the cost of the tax portion of the measure by \$70 billion to \$342-billion and the total cost of the Senate recovery package to about \$888 billion. By comparison, CBO reports that the \$819-billion House package contains \$212 billion in tax cuts.

As discussed above, the measure would modify the HOPE tax credit by creating a new American Opportunity higher education tax credit of \$2,500 for each of four years of college, with a phase-out by income; the House version is 40 percent refundable and the Senate version is 30 percent refundable.

--Provision on Education Tax Credit Eligibility Consistent with Current Law

During markup of the bill, the higher education community learned that Senator Jon Kyl (R-AZ) might offer one or more amendments to restrict eligibility for the bill's new education tax credit. The final, revised amendment accepted by the Chairman is consistent with current law.

The Senator's original four amendments aimed to:

- Prohibit participation by a student with a felony drug charge (not a felony drug conviction) and by a taxpayer using the credit at any institution that prohibits ROTC on campus;
- Prohibit participation by a taxpayer using the credit at an institution that had increased tuition at a rate greater than the Consumer Price Index;
- Require students benefitting from the tax credit to "finish and pass all of their courses for the calendar year" in which the credit is claimed; and
- Require students using the credit to give up any Pell Grant for which they might otherwise be eligible in that year.

Senator Kyl offered only the first amendment, aimed at students with a felony drug charge and non-ROTC campuses. The amendment was defeated by a vote of 11-12, with Senator Kent Conrad (D-ND) crossing party lines to vote in favor of the amendment.

Subsequently Senator Kyl removed the ROTC provision and changed the amendment to apply the prohibition only to a student with a felony drug conviction (not a felony drug charge). Chairman Max Baucus (D-MT) and the Committee accepted the revised amendment. The accepted provision is consistent with the existing rule covering the HOPE tax benefit, which the new education tax benefit would replace.

HIGHER EDUCATION AND INNOVATION GROUPS URGE SUPPORT OF ECONOMIC RECOVERY PACKAGE *UPDATED*

Higher education and innovation organizations, including AAU, joined in urging Members of the House to approve the House Democratic economic recovery package. The letters can be viewed on the AAU website [here](#).

- Thirty-three higher education associations, under the leadership of the American Council on Education (ACE), and the Student Aid [Alliance](#) sent letters to all Members of the House on January 27 urging them to support the House economic recovery package. AAU signed on to both letters.

The letters focused on the importance of increased funding for the Pell Grant and College Work Study programs; the [ACE-led letter](#) also expressed support for the measure's expanded education tax benefit and its funding for scientific research and facilities.

- AAU sent its own [letter](#) to Members of the House on January 26, which endorsed the higher education and research portions of the package.
- Last week, two innovation coalitions, the Task Force on the Future of American Innovation and Tapping America's Potential, [wrote](#) to House Democratic leaders thanking them for including research and education investments in their economic recovery package.

The letter was endorsed by more than 100 universities and other organizations, including numerous AAU institutions. It was signed by both AAU President Robert Berdahl and Princeton University President and AAU Chair Shirley Tilghman.

EXECUTIVE BRANCH

NSF RELEASES REPORT ON COST SHARING FOR PUBLIC COMMENT

As part of a continuing review of cost-sharing policies at the National Science Foundation (NSF), the National Science Board (NSB) issued a [report](#) on January 21 which reaffirms that mandatory cost sharing should be required for a limited number of programs where it is appropriate and recommends prohibiting "voluntary committed" cost sharing in solicited and unsolicited grant proposals. (Voluntary committed cost sharing means that institutional resources are formally pledged to a specific sponsored project, and the pledge is binding and auditable to that project when the grant is awarded.)

While "[Investing in the Future: NSF Cost Sharing Policies for a Robust Federal Research Enterprise](#)" makes several important and apparently positive recommendations, it is still being reviewed and analyzed by AAU staff.

The NSB is requesting written comments about the recommendations by Monday, February 16, 2009.

BACKGROUND

This is the second of two reports on cost sharing at NSF prompted by a provision in the America COMPETES Act which tasked the NSB with conducting a comprehensive review of the "unintended consequences" of the agency's decision in 2004 to eliminate mandatory cost sharing in all NSF programs.

In February 2008, the NSB released its first report, which recommended reinstating mandatory cost sharing for programs where it is "foundational to strategic programmatic goals." The report specified the Engineering Research Centers program, the Experimental Program to Stimulate Competitive Research, and the Industry/University Cooperative Research Centers Program.

This second report builds on the first report to address voluntary cost sharing. As explained in the Executive Summary:

“These recommendations are intended to improve consistency and clarity of NSF cost sharing practices and policy and to maximize the effectiveness of institutional dollars invested in research. The Board firmly believes that prohibiting voluntary committed cost sharing, and permitting mandatory cost sharing requirements only in limited and appropriate circumstances, will not reduce institutional commitment and financial contributions to NSF-sponsored projects or negatively impact institutional stewardship of Federal resources.”

OTHER

REGISTRATION DEADLINE APPROACHING FOR HUMANITIES CONFERENCE AND ADVOCACY DAY *NEW*

The National Humanities Alliance (NHA) will hold its annual conference and humanities advocacy day on March 10-11, 2009, in Washington, D.C.

The registration deadline for the conference is February 4.

A Capitol Hill reception and congressional visits will provide the opportunity to speak with policymakers about the importance of the humanities in addressing current public policy challenges.

A special pre-conference event, “Humanities and Culture in a Civil Society,” is scheduled for the evening of March 9. Speakers at the session, hosted by the American Academy of Arts & Sciences, include Supreme Court Justice David Souter, Mellon Foundation President Don Michael Randel, and University of Richmond President Edward L. Ayers.

Additional [information](#) about the conference and advocacy day is available on the website of the National Humanities Alliance.

THREE UPCOMING BRIEFINGS ON THE IMPORTANCE OF ENERGY RESEARCH AND DEVELOPMENT *NEW*

Among the major issues facing Congress and the Administration this year is how to move the nation toward an energy economy that is both secure and environmentally and economically sustainable. Three upcoming briefings in Washington, D.C. will address the role of research and development in those efforts.

- **“Breakthrough Technologies: The Enabling Role of Basic Science,”** is a briefing sponsored by the Center for Strategic and International Studies on Wednesday, February 4, from 10:00 a.m. to 12:00 p.m. at the CSIS B1B Conference Room at 1800 K Street, NW.

The session will feature the authors of a Department of Energy report released in December, [“New Science for a Secure and Sustainable Energy Future.”](#) They include John Hemminger of the University of California, Irvine; George Crabtree of the University of Chicago, and Marc Kastner of MIT.

The event is free and open to the public, but registration is required. Those interested in attending are asked to email energy@csis.org.

- **“Achieving our Energy Goals: Alternative Transportation Fuels,”** is a luncheon [briefing](#) of the American Chemical Society hosted by the Senate Science and Technology Caucus on Friday, February 6, from 12:00 to 1:30 p.m. in 202/203 Capitol Visitors Center, Senate Side.

Senators Jeff Bingaman (D-NM) and Lamar Alexander (R-TN) will make opening remarks.

Those interested in attending are asked to RSVP by Wednesday, February 4 to science_congress@acs.org or 202/872-4556, with name, affiliation, phone number, and email address.

- **“Energy Discovery-Innovation Institutes: A Step Toward America’s Energy Sustainability,”** is an event convened by the Brookings Institution at the National Press Club on Monday, February 9, from 1:00 to 3:00 p.m.

Three prominent academic leaders—former University of Michigan President James Duderstadt, Arizona State University President Michael Crow, and Ohio State University President Gordon Gee—will be among those discussing a comprehensive proposal for energy research and development which incorporates “discovery-innovation institutes.”

The event is free and open to the public, but registration is requested. Program and registration information is available [here](#).

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