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## GOVERNMENT RELATIONS UPDATE – January 20, 2009

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### SCHEDULE: This Week in Congress

The 111<sup>th</sup> Congress convened on Tuesday, Jan. 6. Most of the pre-inaugural business has been focused on crafting an economic stimulus proposal and consideration of cabinet appointments proposed by the incoming president.

The pace of work by the new Congress and administration is expected to be intense in the coming weeks. Committee appointments are expected to be finalized in the next several weeks and we will send an update of how they affect the Harris County congressional delegation as they become available.

### FEDERAL UPDATE

**The 111<sup>th</sup> Congress.** United States House of Representatives: 256 Democrats, 178 Republicans (one seat vacant); United States Senate: 56 Democrats, 41 Republicans, 2 Independents (one seat vacant). Harris County is represented in Congress by the following: John Cornyn, R-Texas; Kay Bailey Hutchison, R-Texas; John Culberson, R-Houston (who represents the Rice University campus); Pete Olsen, R-Sugar Land (and Rice alum); Ron Paul, R-Lake Jackson; Kevin Brady, R-The Woodlands; Ted Poe, R-Humble; Gene Green, D-Houston; Al Green, D-Houston; Shelia Jackson Lee, D-Houston.

**American Recovery and Reinvestment Act of 2009.** Last week, the House Appropriations and Ways and Means Committees released proposed legislation for an \$825 billion economic stimulus package. The bill includes \$550 billion in new spending and \$275 billion in tax cuts and reforms. The House Appropriations Committee language and summary are available at <http://appropriations.house.gov/>. The tax portion of the proposal is available at <http://waysandmeans.house.gov/news.asp?formmode=release&id=846>.

The Senate is preparing its own stimulus measure and the two chambers will have to negotiate the details of any final bill before sending it to President Obama.

Given the large price tag of the proposal, it is not surprising that a broad range of programs – including higher education – will be affected by the spending and tax cut provisions. For example, there are significant investments proposed for science and technology research, including:

- National Science Foundation: \$3 billion for general programs
- National Institutes of Health: \$1.5 billion for university research facilities and biomedical competitive grants
- National Institute for Standards and Technology: \$300 million for research science buildings at colleges and universities

- Higher education construction: \$6 billion for renovation and modernization, including technology upgrades and energy efficiency improvements.

Congressional leaders have repeatedly stated that the economic stimulus measure will not include earmarks for specific projects. Rather, the legislation will include funding for federal agencies and programs that supplement previously appropriated funds. For example, the proposed stimulus funds to the National Institutes of Health for construction of university science and research facilities will be an addition to previously appropriated funds for these types of projects.

In most instances, stimulus dollars will be allocated through a competitive grant process. In some instances, especially in the areas of transportation and Medicaid, the funding will be allocated to states based on a pre-existing formula. Barring some significant change in policy and direction, individual members of Congress will not have the opportunity to request funding for specific earmark projects in the stimulus.

House Appropriations Chairman David Obey, D-Wis., has indicated his committee plans to mark-up their portion of the bill beginning on Wednesday, Jan. 21. The committee also plans to mark up a fiscal year 2009 omnibus appropriations measure the week of Feb. 2. Congressional Democrats would like to send both the stimulus and the fiscal year 2009 omnibus appropriations bills to President Obama before the congressional recess, scheduled for the week of Feb. 16. (*Source: Crowell & Moring, L.L.P.*)

***Earmarks under additional scrutiny.*** Last week, House Appropriations Chairman Obey and Senate Appropriations Chairman Daniel Inouye, D-Hawaii, announced three changes to the fiscal year 2010 appropriations process with respect to earmarks.

- Members of Congress will be required to post information about earmark requests on their Web sites at the time the request is made explaining the purpose of the earmark and why it is a valuable use of taxpayer funds.
- Earmark disclosure tables (lists of earmark recipients, amounts and the requesting congress members' names) will be made publicly available the same day as the House or Senate subcommittee reports their bill; or 24 hours before full committee consideration of appropriations legislation that has not been marked by a subcommittee. Currently, those materials are not typically available until after the full committee marks up the appropriations bill.
- The number of earmarks in the fiscal year 2010 appropriations bills will be further reduced in order to reach 50 percent of the 2006 level for non-project-based accounts. In fiscal year 2008 earmark funding levels were reduced 43 percent below the 2006 level. This means there will be further reductions in the fiscal year 2010 bills to reach this 50 percent target. Earmarks will hold below one percent of discretionary spending in subsequent years.

Three fiscal year 2009 spending bills were consolidated and passed late last year by the 110<sup>th</sup> Congress: Defense, Homeland Security and Military/Veteran's Affairs. Included in the Defense portion of this consolidated bill were directed funding requests by Rice for the CONTACT and Arm Chair Quantum Wire programs.

Given the growing momentum for cutbacks in earmarks, when Congress finalizes the remaining domestic spending bills for fiscal year 2009, an across-the-board reduction in all earmarks is likely to be mandated (perhaps as high as a 5 percent reduction). This could impact Rice's pending request for a directed appropriation for the Biomedical Research Center (BRC).

***Linda Thrane and Ray Martinez attend annual AAU meeting.*** Linda Thrane, vice president of public affairs, and Ray Martinez, director of government relations, represented Rice recently at the Association of American

Universities (AAU) annual pre-congressional meeting. Several panel discussions presented a variety of information on policy matters, including the pending economic stimulus proposal and key higher education appointments in the Obama administration. Rep. Gabrielle Giffords, D-Ariz., who is also a member of the House Science and Technology Committee, gave a closing keynote address.

**Holdren nominated to key science post.** Dr. John Holdren will serve as assistant to the president for science and technology and director of the White House Office of Science and Technology. Holdren was the Teresa and John Heinz Professor of Environmental Policy at Harvard's Kennedy School before his selection. He also headed the board of directors at the American Association for the Advancement of Science in 2006 and 2007. (Sources: [http://www.aaas.org/news/releases/2008/1222obama\\_appts.shtml](http://www.aaas.org/news/releases/2008/1222obama_appts.shtml) and <http://www.hks.harvard.edu/about/faculty-staff-directory/john-holdren>.)

**Department of Education announces rulemaking committees for HEOA.** The Department of Education's Office of Postsecondary Education announced that it will create five negotiated rulemaking committees to draft proposed regulations under Title IV of the Higher Education Opportunity Act (HEOA) passed last year. Because the HEOA made so many changes in the law, department announced it will not attempt to issue regulations on all of the new provisions right away. Dates for committee meetings were not released. (Source: AAU.)

#### **STATE UPDATE: 2009 LEGISLATIVE SESSION**

The 81st regular session of the Texas Legislature began Tuesday, Jan. 13. The current political breakdown of the Texas Legislature is: Texas House of Representatives: 76 Republicans, 74 Democrats; Texas Senate: 19 Republicans; 12 Democrats. Presiding over the Texas Senate is Lt. Gov. David Dewhurst, R-Houston, who is elected on a statewide basis. Representing the Rice University campus in the Legislature is Rep. Ellen Cohen, D-Houston and Sen. Rodney Ellis, D-Houston.

In the Texas House of Representatives, State Rep. Joe Straus, R-San Antonio, was elected Speaker of the House by acclamation and will replace longtime speaker Tom Craddick., R-Midland. Straus is expected to announce committee assignments in the next two weeks.