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## GOVERNMENT RELATIONS UPDATE – Feb. 17, 2009

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### SCHEDULE: This week on Capitol Hill

The Congressional schedule last week remained focused on the American Recovery and Reinvestment Act of 2009 (i.e., the economic stimulus package). With the most urgent item on the agenda completed, the Democratic majority will turn its attention to finalizing the fiscal year 2009 budget and begin consideration of the fiscal year 2010 budget.

Congress is in President's Day recess the week of February 16.

### FEDERAL UPDATE

**American Recovery and Reinvestment Act of 2009:** After weeks of speculation and negotiation, the American Recovery and Reinvestment Act conference report passed the House and Senate last Friday. President Obama is expected to sign the bill into law in Denver today.

The compromise agreement was achieved based upon the actions of three moderate Senate Republicans – Susan Collins and Olympia Snowe of Maine and Arlen Specter of Pennsylvania – who worked with Senate Democrats late last week on a revised version of the stimulus package. The Senate stimulus bill called for approximately \$838 billion in spending and tax cuts, while the House version was approximately \$819 billion. The final compromise reduces the overall number even further – to \$789 billion.

According to the National Association of Independent Colleges and Universities (NAICU), the stimulus package contains a mixed bag of higher education priorities:

#### Among the higher education items included in the bill:

- **Pell Grants:** \$17 billion is provided for Pell Grants. This money will serve two purposes: to pay off the program's massive shortfall and to raise the maximum to \$5,350 by July 1, 2009 (for 2009-10) and to \$5,500 by July 1, 2010 (for 2010-11).
- **Perkins Loan Capital:** \$61 million in funding.
- **College Opportunity Tax Credit:** \$13 billion is provided for a \$2,500 tax credit, with 40 percent refundability. Credit would phase out at income levels of \$80,000 (single filers) or \$160,000 (joint filers).
- **Federal Work-Study:** An increase of \$200 million in funding.

#### Items not included in the bill:

- The proposed \$2,000 increase in unsubsidized annual student loan limits from the House.
- The proposed \$6 billion in Higher Education Modernization (construction) money in the House. Construction funds for education proved to be the most controversial item in the entire bill, and almost caused the entire agreement to fall apart, as the Senate moderates who provided the 60 necessary votes were adamantly opposed to it. In the end, however, House Democrats pushed back so hard that more money was added to state stabilization, with a provision allowing a portion of this funding to be used for K-12 school modernization. Another pot of \$8.8 billion was included for high priority needs, such as public safety and other critical services, and higher education modernization was included as an allowable use of these funds. Language in the report states that in awarding these funds, "a governor shall not consider the type or mission of an institution of higher education, and shall consider any institution for funding within the state." This at least allows private colleges to compete at the state level for high priority needs. Realistically, though, private colleges' ability to obtain this funding appears fairly limited.

In addition, federal agencies such as NSF, NIH and the Department of Energy are expected to receive substantial supplemental funding for science, technology and engineering research. These agencies are, in turn, expected to make the new funds available via competitive grant opportunities.

According to the Coalition for Academic Scientific Computation (CASC), the numbers in the compromise stimulus package are as follows: NIST - \$580 million; NSF - \$2.9 billion (R&RA - \$2.5 billion; MRI - \$100 million; MRE&F - \$400 million); NASA - \$1 billion; NOAA - \$830 million; DOE - \$2 billion (Office of Science - \$1.6 billion; ARPA-E - \$400 million); NIH - \$8.5 billion (focused on biomedical research on Alzheimer's, Parkinson's, cancer and heart disease; \$1.5 billion more to renovate university research facilities to compete for biomedical research grants).

**Rice leaders visit with congressional members on Capitol Hill.** Rice President David W. Leebron, Sallie Keller-McNulty, dean, George R. Brown School of Engineering, and Ray Martinez, government relations director, recently traveled to Washington, D.C. and held a series of meetings on Capitol Hill with various congressional members and staff. The three met with Rep. Ruben Hinojosa, D-McAllen, who currently serves as chairman of the House Subcommittee on Higher Education; Rep. John Culberson, R-Houston and Rep. Pete Olson, R-Sugarland.

**Cornyn to Finance Committee:** Sen. John Cornyn, R-Texas, gave up his seat on the Senate Armed Services Committee to serve on the Senate Finance Committee, a coveted assignment given to him by Republican leadership. (Source: *The Hill*.)

**Olson to Science and Technology Committee:** Rep. Pete Olson, R-Sugarland (and Rice alum), has been designated to serve on the House Science and Technology Committee. He was also named ranking member of the Space and Aeronautics Subcommittee, a rare accomplishment for a freshman congressman. Olson's district includes the Johnson Space Center. (Source: <http://science.house.gov/about/members.shtml>)

**House passes bill on nanotechnology:** The House this week approved the National Nanotechnology Initiative Amendments Act ([H.R. 554](#)), sponsored by Rep. Bart Gordon, D-Tenn. The bill amends the 21st Century Nanotechnology Research and Development Act and sets agency standards to support the development of nanotechnology while promoting transparency to understand any risks. (Source: Congressional Quarterly; Crowell Moring.)

## STATE UPDATE: 2009 LEGISLATIVE SESSION

**Committee assignments:** Speaker of the House Joe Straus, R-San Antonio, has announced assignments for the 81<sup>st</sup> Texas Legislature. The full committee assignments can be found here: <http://www.house.state.tx.us/committees/assignments/81/committee.pdf> .

Among those of interest to Rice University, state Rep. Ellen Cohen, D-Houston and who represents the Rice campus, was given two highly coveted committee assignments: Appropriations and Higher Education. Rep. Scott Hochberg, D-Houston and also a Rice alum, also received a seat on the Appropriations Committee as well as retaining his position as vice chair of the Public Education Committee.

**House Select Committee on Hurricane Ike Devastation releases report.** After holding several field hearings throughout the Gulf Coast region, the Select Committee on Hurricane Ike this week released a series of recommendations to the Texas Legislature – many of which are expected to be considered during the current session.

Included in the report is a recommendation that the Legislature conduct further study and consider funding the *Severe Storm Prediction, Education and Evacuation from Disaster* (SSPEED) Center, which is located at Rice University. The SSPEED Center will organize leading universities, researchers, emergency managers and private and public entities to better address severe storm impacts in the Gulf Coast area.

**Bills of note in the Texas Legislature:** Rice Government Relations will track a large number of bills throughout the legislative session. Below are several bills of particular interest:

- SB 45 by state Sen. Judith Zaffirini: Relating to tuition exemptions at public institutions of higher education for students enrolled in certain inter-institutional academic programs.
- HB 58 by state Rep. Dan Branch: Relating to the eligibility of private or independent institutions of higher education to participate in the Advanced Research Program administered by the Texas Higher Education Coordinating Board.
- SB 203 by state Sen. Eliot Shapleigh: Relating to the regulation of the use of human cells and tissue, including a ban on human cloning; providing penalties.
- HB 543 by state Rep. Richard Raymond: Relating to prohibiting human cloning and other uses of human tissue by institutions of higher education; providing penalties.