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GOVERNMENT RELATIONS UPDATE

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CONGRESSIONAL SCHEDULE

Congress is currently in recess and will reconvene on Tuesday, Sept. 8.

FEDERAL APPROPRIATIONS UPDATE

Labor-Health and Human Services-Education (LHHS) appropriations bill approved in Senate. The Senate Appropriations Committee completed its version of the LHHS spending bill on July 30. Several key higher education funding issues were addressed:

- **National Institutes of Health (NIH)**: In line with the Obama administration's request, the bill provides \$30.8 billion for NIH, which represents a 1.5 percent increase (\$442 million) over fiscal year 2009. The House-passed LHHS spending bill provides NIH with \$500 million less than the Senate level.
- **Student aid**: The Senate LHHS bill provides \$19.3 billion for student financial aid. Both the House and Senate versions do not include language proposed by the White House that would make Pell Grants an entitlement.

House approves Department of Defense (DOD) appropriations bill. The House completed the last of 12 FY 10 appropriations bills when it passed the DOD bill on July 30. Science and technology-related programs were cut \$303 million from FY 09 to \$13.18 billion. However, the total appropriation is 13.2 percent, or \$1.53 billion, above the amount requested by the Obama administration. Funding for the three major aspects of defense research are as follows:

- **Basic research**: The bill provides \$1.93 billion for basic research, a 4.8 percent increase, or \$89.3 million, above the FY 09 level and 7.4 percent, or \$133 million, above the Obama administration's FY 10 request.
- **Applied Research**: The bill provides \$4.93 billion for applied research, down 3.6 percent, or \$185.9 million, from the FY 09 level but up 16 percent, or \$680.2 million, from the Obama administration's FY 10 request.
- **Advanced technology development**: The bill provides \$6.33 billion for advanced research, down 3.2 percent, or \$206.4 million, from the FY 09 level but up 12.9 percent, or \$720.5 million, from the Obama administration's FY 10 request.

Continuing resolution appears likely for FY 10. According to the Aug. 14 *BNA Daily Report*, despite pledges earlier this year by congressional leaders to return to "regular order" and pass all 12 spending bills in a timely fashion, House and Senate Democratic leaders say they now expect to pass yet another continuing resolution at the end of September in order to keep the federal government running and allow members to finish the FY 10 appropriations process.

Although the House passed all 12 spending bills prior to the August recess, the Senate approved only four of the measures and congressional leaders say there is "little chance" that all 12 bills will be approved by Congress before the end of the federal fiscal year on Sept. 30.

FEDERAL ISSUES UPDATE

Health reform debate continues. Despite a recent [story](#) in the *New York Times* asserting that Democrats have shifted strategy and are abandoning bipartisan efforts on health reform, White House press secretary Robert Gibbs says that the Obama administration remains committed to a bipartisan health reform bill. The full story can be found [here](#).

Rice's federal government relations firm, [Crowell Moring](#), is closely monitoring the health care reform legislation and conferring with committee staff to stay abreast of this fast-changing issue. According to **Crowell Moring**, in the House several committees with health care jurisdiction have marked up portions of an overall health reform bill that is expected make its way to the full House for consideration later this year. In the Senate, the Committee on Health, Education, Labor and Pensions has marked up its health reform bill – which currently includes a public option – while the Senate Finance Committee, led by Sen. Max Baucus, D-Mont., continues to work toward a bipartisan bill. Sen. Baucus says he intends to move a bill out of committee by mid-September.

Also according to **Crowell Moring**, once Congress returns from its August recess, the remaining days of the congressional schedule for 2009 will likely be dominated by four main issues: health care reform, climate change (including “cap and trade” legislation), financial services industry reform and completion of the annual appropriations bills.

National hurricane initiative hearing in Senate. The Senate Committee on Commerce, Science and Transportation, led by Sen. **John D. Rockefeller IV**, D-W.V., and Sen. [Kay Bailey Hutchison](#), R-Texas, held a hearing on July 28 about the establishment of a National Hurricane Initiative for research. Dr. **Gordon L. Wells**, program director of the [Center for Space Research](#) at the University of Texas-Austin was an invited witness. The hearing and testimony can be found [here](#).

Wind and solar energy research hearing in House. The House Energy and Environment subcommittee, led by Rep. **Brian Baird**, D-Wash., hosted a hearing on wind and solar energy research on July 14. Dr. **Andy Swift**, director of the [Wind Science and Engineering Research Center](#) at Texas Tech University, was among several witnesses who testified on the challenges of wind and solar research and the roadblocks that keep clean energy from becoming viable, affordable options for American consumers. The hearing and testimony can be found [here](#).

STATE ISSUES UPDATE

Sen. Kay Bailey Hutchison, R-Texas, kicks-off campaign for governor. Hutchison, currently Texas' senior U.S. senator, last week announced her intention to run for the Republican gubernatorial nomination in 2010. Hutchison recently said she would step down from her Senate seat sometime in “October or November” of this year to focus on her campaign. The full story on Hutchison's announcement can be found [here](#). A story on the response to Hutchison's announcement by fellow Republican and incumbent Gov. **Rick Perry** can be found [here](#).

Texas sales tax collections continue decline. [Texas Comptroller Susan Combs](#) announced last week that July sales tax collections were down 11.6 percent over the same period last year.

“Sales tax collections in July were again down significantly as major sectors of the economy, such as retail trade; oil and natural gas; and construction, remain weak,” Combs said. “The sharp drop in revenue is a reflection of the current poor performance of these sectors as well as unusually strong sales tax collections in July 2008.” The summary report from the Texas comptroller's office can be found [here](#).

FEDERAL ETHICS PRIMER

We are continuing a feature started last month in which we take an ethics question received by the Rice government relations office and share the answer with the broader campus community. This month's question:

QUESTION: "Are congressmembers and staff allowed to receive gifts – such as tickets to a sporting event – and if so, under what circumstances and what is the maximum dollar value?"

ANSWER: Congress updated its gift rules when it passed the [Honest Leadership and Open Government Act of 2007](#). Under this new law, House and Senate members and congressional employees may **not** knowingly accept any gift unless acceptance is allowed by a general or specific exception.

Although the House and Senate each have their own ethics manuals which provide further guidance, generally speaking the gift rules have one **general** provision on acceptable gifts, and over 20 provisions that describe additional, **specific** kinds of gifts that may be accepted.

- The general gift rule is most relevant to our situation at Rice. This provision states that a member, officer or employee may **not** accept a gift from a registered lobbyist, agent or a foreign principal, or *from any private entity that retains or employs such individuals*. Like many of our peer institutions, Rice University falls under this general gift prohibition because the university is a private entity that both employs and retains registered federal lobbyists. Thus, even gifts valued at below \$50 may **not** be accepted by a congressmember or employee, although gifts of nominal value, such as refreshments not part of a meal at a widely attended event, can be accepted.
- The other 20-plus categories of acceptable gifts are descriptive categories, not tied to any specific dollar figure. Among those categories are, for example, are informational materials, commemorative items, gifts based upon personal friendship and free attendance at certain kinds of events. Gifts that fall under these specific categories may be allowed in certain circumstances, even though Rice retains and employs federal lobbyists.

For further guidance on when gifts to any elected official or staff may be permissible, please contact the Rice government relations office.

WHO KNEW?

According to *CQ's Politics in America 2010*, Rep. **John Culberson**, who represents the Rice campus, has in his D.C. office a refurbished mahogany roll-top desk that he bought at an antiques store when he discovered it had once belonged to his great great uncle, Charles Culberson, who was governor of Texas from 1895 to 1899 and a U.S. senator from 1899 to 1923.