

Issue #10-09

GOVERNMENT RELATIONS UPDATE

Oct. 29, 2009

CONGRESSIONAL SCHEDULE

Health care reform continues to dominate the congressional schedule. The House and Senate had planned to adjourn by Nov. 1, but mid-December now appears much more likely. Other issues on the [congressional agenda](#) include final work on fiscal year 2010 appropriations bills, student aid reform, cap-and-trade legislation and financial industry reform.

FEDERAL APPROPRIATIONS UPDATE

Conferees agree on Department of Defense bill. House and Senate conferees have agreed on an FY 10 defense appropriations bill. The agreement authorizes \$1.824 billion for basic research in FY 10, \$26 million more than **President Barack Obama's** [budget request](#).

Energy and water bill sent to Obama for signature. A final energy and water appropriations bill was approved by the House and Senate two weeks ago and is waiting President Obama's signature. It is only the third of 12 FY 10 appropriations bills to be finalized by Congress. The Department of Energy's Office of Science (DOEOS) will receive an overall increase of \$141.6 million, or 3.1 percent above fiscal year 2009. This includes an increase of \$64.5 million, or 4.1 percent, for the Basic Energy Research Program and \$2.4 million, or .5 percent, for the Biological and Environmental Research Program. A complete breakdown of the DOEOS budget can be seen [here](#).

Commerce-Justice-Science appropriations bill stalls. The Commerce-Justice-Science (CJS) appropriations bill has been delayed in the Senate Appropriations Committee because [Sen. David Vitter](#), R-La., offered an amendment that would require the census to include a [controversial question](#) about immigration status. The CJS bill includes the budget for the National Science Foundation (NSF).

In addition, the Obama administration has publicly expressed disappointment that the Senate version of the CJS bill does not provide an adequate increase for the NSF. Specifically, the Senate bill would provide \$6.917 billion for NSF, which is \$426 million above the FY 09 level, but \$126 million *below* the administration's FY 10 request. The House-passed CJS bill provides \$6.937 billion for NSF.

Interior and environment bill includes continuing resolution. The House and Senate conference committee completed its work on the FY 10 interior and environment appropriations bill. A [continuing resolution](#) to fund the federal government until Dec. 18 is attached to this bill.

FEDERAL ISSUES UPDATE

Student-aid legislation delayed in Senate. Senate Democratic leaders have said that federal student-aid reform will not be considered in the Senate until after Congress has dealt with health care reform which means further consideration of student-aid reform will most likely wait until early next year.

Health reform debate continues. Two weeks ago, the Senate Finance Committee approved a health care reform bill crafted by the committee's chair, [Sen. Max Baucus](#), D-Mont. The bill passed with the support of one

Republican, [Sen. Olympia Snowe](#) of Maine. The Baucus bill does not include a public option, but a separate bill passed by the Senate's Health Education Labor and Pensions (HELP) committee does include a public option.

This week, [Majority Leader Harry Reid](#), D-Nev., announced he would be sending a bill to the Congressional Budget Office that includes a public option allowing individual states to "opt out." Although Reid worked with Baucus on crafting the "opt out" legislation, it remains to be seen whether the Democrats will muster the necessary 60 votes, particularly with Snowe and [Sen. Joe Lieberman](#), a Connecticut independent, expressing doubts about the Reid legislation. The story can be seen [here](#).

In the House, [Speaker Nancy Pelosi](#), D-Calif., today introduced a unified version of a health care reform bill. The \$894 billion bill extends coverage to 36 million Americans through a mix of subsidies, tax incentives and penalties on individuals and small businesses. However, the final bill falls short of a "robust" public health insurance option that Pelosi favored. Pelosi expects debate to begin immediately and a House vote on the bill by Nov. 11. The story can be seen [here](#).

Rep. Olson hosts Rice alumni event on Capitol Hill. [Rep. Pete Olson](#) '85, R-Sugar Land, hosted an alumni event in the Rayburn House Office Building on Capitol Hill on Oct. 14 in honor of Rice students who designed the ZERO House and participated in the Department of Energy's Solar Decathlon competition. Numerous Rice alumni from the D.C. area, along with several congressional staff, attended the reception.

In a related note, Olson and his wife, Nancy, visited the Rice campus on Oct. 10 to attend the Rice-Navy football game as a guest of **Rice President David Leebron**. During the game's halftime ceremony, Olson participated in presenting to Rice the Ambassador of Exploration Award – originally given to President John F. Kennedy posthumously – including a moon rock, which is now on display at Fondren library. Mike Coats, head of NASA's Johnson Space Center, joined Olson and Leebron in the ceremony.

Rice delegation heads to Washington. Linda Thrane, vice president for Public Affairs, and Ray Martinez, director of Government Relations, met with members and staff of Rice's congressional delegation on Oct. 15. The group spoke with Michelle Chin, legislative assistant to [Sen. John Cornyn](#), R-Texas; Chad Heflin, legislative aide to [Sen. Kay Bailey Hutchison](#), R-Texas; Jeff Morehouse, legislative director for [Rep. John Culberson](#), R-Houston; and [Rep. John Kline](#) '69, R-Minn., ranking member of the House Education and Labor Committee.

Coleman visits Congress. Jim Coleman, vice provost for research, met Oct. 21 with congressional staff, including: Dan Hilton, senior legislative assistant to [Rep. Randy Neugebauer](#), R-Lubbock, and Charles Fields, legislative assistant to [Rep. Mike McCaul](#), R-Katy. Neugebauer and McCaul both sit on the House Committee on Science and Technology; Neugebauer also serves on the Subcommittee for Energy and Environment while McCaul is on the Subcommittee on Space and Aeronautics.

STATE UPDATE

Cancer Prevention and Research Institute of Texas (CPRIT) Foundation holds inaugural dinner. Government Relations Director Ray Martinez represented Rice at the inaugural dinner of the CPRIT Foundation Oct. 14 in Austin. The CPRIT Foundation is a nonprofit entity that supports the activities of [CPRIT](#) with fundraising and other public awareness activities. At the inaugural dinner, Dr. Robert Young, former chancellor of the [Fox Chase Cancer Center](#) in Philadelphia, provided the keynote address. Also in attendance were various state political dignitaries, including **Lt. Gov. David Dewhurst**, R-Houston; state **Sen. Jane Nelson**, R-Flower Mound; **state Rep. Patrick Rose**, D-Dripping Springs; and **state Rep. Jim Keffer**, R-Eastland. Nelson, Rose and Keffer were honored for their legislative efforts on behalf of CPRIT.

Tier One ballot initiative goes to Texas voters. Texas voters will go to the polls on Tuesday, Nov. 3, to vote on a series of measures to amend the state constitution. On the ballot will be Proposition 4, which would free up about \$500 million from a dormant higher education fund to help seven public research universities achieve Tier One research status. They are: the University of Texas at Dallas, University of Texas at Arlington, University of Texas at El Paso, University of Texas at San Antonio, Texas Tech University, the University of North Texas and the University of Houston.

The dormant account, known as the Higher Education Fund, was established by Texas voters in 2003 to receive up to \$2 billion in state funds. However, lawmakers to date have made no appropriations from this fund, leaving the initial \$500 million stranded. If voters approve Proposition 4, the dormant account would be dissolved and the money transferred to a new national research university fund. More information regarding Proposition 4 can be seen [here](#).

Rice President David Leebron, along with the presidents of Texas A&M University and the University of Texas at Austin, has co-signed a [letter](#) in support of Proposition 4.

FEDERAL ETHICS PRIMER

"I have been approached by a congressional staffer asking for my assistance as a Rice faculty member in advocating for a particular piece of federal legislation. Although I normally only recommend policy changes in my official capacity for Rice, in this instance I would like to help with this specific legislation. However, I am concerned as to whether my doing so will require that I register as a federal lobbyist and/or whether university policy promoting specific legislation would allow my participation."

ANSWER: As to whether a faculty member supporting or opposing specific legislation would need to register as a federal lobbyist, the [Lobbying Disclosure Act](#) (LDA) states:

- "In order to determine the applicability of the LDA, one must first look at the definition of "lobbyist"... an individual is a "lobbyist" with respect to a particular client if he or she makes more than one lobbying contact and his or her "lobbying activities" constitute at least 20 percent of the individual's time in services for that client over any three-month period."

As Rice's government relations director, Ray Martinez meets the "minimum contact" threshold because he makes more than one lobbying contact on behalf of Rice over any three-month period. Additionally, he meets the "minimum time" threshold because at least 20 percent of his time each month is spent on Rice federal priorities: for example, talking to congressional staff or members; writing and responding to emails pertaining to Rice's federal legislative priorities, and keeping Rice staff and faculty apprised of federal issues.

On the other hand, while a Rice faculty member could easily meet the "minimum contact" threshold in advocating for or against specific legislation, it is unlikely that a member of the faculty would meet the "minimum time" threshold. If a faculty member meets the "minimum contacts" and "minimum time" thresholds of the LDA for a three-month period, his or her name would need to be listed as a federal lobbyist in the quarterly reports filed by Rice University with the appropriate congressional offices.

Thus, in making a decision whether to assist with this specific legislation carefully consider the "minimum contacts" and "minimum time" thresholds for lobbying purposes – and keep good documentation of all your lobbying activities.

However, the question raises another important issue – that Rice University is 501(c)(3) educational institution for IRS purposes. The answer above *does not* address whether it is appropriate for faculty members to take

specific positions “for” or “against” legislation. In order for Rice to maintain its 501(c)(3) status with the IRS, it is required to keep lobbying activities to a specified minimal amount. Questions regarding whether advocating for specific legislation would trigger scrutiny from the IRS should be referred to the Rice general counsel.

Finally, Rice employees should not imply that the university favors or opposes legislation or other government policies without checking with the government relations office. Employees are free to support or oppose legislation and policies as individuals, but should not involve Rice unless the university has decided to take an official stand.