

Issue #6

GOVERNMENT RELATIONS UPDATE

July 12, 2010

Washington, D.C., update**Fiscal year 2011 funding update****Higher education issues that impact Rice**

- American COMPETES reauthorization passes the house

Federal legislative update

- War supplemental
- NASA
- Harkin hearing on for-profit colleges

In case you missed it

- President Leebron's statement on conference realignment
- Rep. Villarreal, D-San Antonio, visits Rice
- Rice wins \$3.7 million for cancer research
- National Academies launches committee for study of research universities

WASHINGTON, D.C., UPDATE

Rice's Washington, D.C., representatives at [Crowell and Moring](#) report that Congress put in a busy few weeks of work on several legislative fronts before breaking for its week-long July 4 recess. The [Senate](#) session resumes today and the [House](#) tomorrow. Congress will then have less than four weeks to act before the start of the month-long August recess.

After lengthy debate and deliberation, the [House of Representatives](#) voted [237-192](#) to pass the conference committee-negotiated version of comprehensive financial services reform legislation. The reforms are intended to prevent a repeat of the 2008 financial crisis and are expected to lead to significant regulatory changes governing many areas of the financial industry. The Senate adjourned June 30 because of the death of [Sen. Robert Byrd](#), D-W. Va., and is expected to take up the financial services legislation when it reconvenes. In addition, the Senate is expected to try again to approve an extension of unemployment benefits, which fell one vote short of the 60 needed for passage on June 30.

During the days leading up to the recess, the House began to craft the annual federal budget and also approved budget enforcement legislation, which sets the overall funding levels for the FY11 budget. The House proposal calls for less than President Obama's [proposed budget](#) and will require funding reductions in several areas. In other budget-related developments, six House appropriations subcommittees have begun finalizing their individual spending bills for FY11. The [Senate Appropriations Committee](#) is expected to start marking up its versions of the FY11 appropriations bills next week, while [House Appropriations](#) subcommittees are expected to complete work on six remaining bills before the August recess.

In the Senate, the [Judiciary Committee](#) conducted a confirmation hearing for Elena Kagan, President Obama's nominee to the [U.S. Supreme Court](#). Assuming the committee approves the nomination, the full Senate is expected to take it up for a vote before adjourning for the August recess. [The Armed Services Committee](#) held a hearing on the nomination of Gen. David Petraeus to be the top commander in Afghanistan, and the full Senate

confirmed Petraeus unanimously. He replaces Gen. Stanley McChrystal, who was relieved of his command by President Obama in late June.

In addition, the House approved a supplemental funding bill for the wars in Iraq and Afghanistan. The Senate is expected to take up the measure when it returns from the recess. Several House and Senate Committees held hearings on the oil spill in the Gulf of Mexico. Meanwhile, members of the Texas delegation have called for an end to the Obama administration's [six-month ban on offshore drilling](#), which was overturned in federal court last week. The administration says it plans to issue a revised moratorium soon.

FISCAL YEAR 2011 FUNDING UPDATE

After much delay, the FY11 budget and appropriations process has started in the House. As part of the rule approved on July 1 for the FY10 supplemental funding bill, the chamber passed a one-year FY11 "[budget enforcement resolution](#)" that sets the cap for discretionary appropriations at \$1.121 trillion, which is \$7 billion below the president's request and \$3 billion below the Senate committee-passed FY11 budget resolution.

With the overall funding level established in the House, the FY11 appropriations bills have begun in earnest, with six of the 12 FY11 bills now approved at the subcommittee level. These are: [agriculture](#), [commerce-justice-science](#) (see below), [homeland security](#), [legislative branch](#), [state-foreign operations](#) and [transportation-housing and urban development](#).

During the [markup](#) of its FY11 funding bill on June 29, the House Commerce-Justice-Science Appropriations Subcommittee voted to provide the [National Science Foundation](#) (NSF) and [NASA](#) with the president's full budget requests, but made significant other changes. For investments in science, technology and innovation, the bill provides \$32.8 billion, an increase of \$1.6 billion over last year. That includes \$7.4 billion for the NSF, an increase of \$498 million over last year.

The bill also provides \$19 billion for NASA, up \$276 million from last year. The bill provides \$4.2 billion for human space exploration, as requested and \$498 million above 2010, but takes no position on the president's proposed new direction for the program. In fact, subcommittee [Chairman Alan Mollohan](#), D-W.Va., said in his opening [statement](#) that the panel would not take a position on the direction of the nation's space program, but that any major change should come through authorization legislation passed by Congress and signed into law by the president.

Overall, the subcommittee mark-ups have been more contentious than in previous years, largely due to the expectation that very few of the bills will see action by the full Appropriations Committee or on the House floor, meaning the subcommittee mark-ups may be the only time members can offer amendments. The [Senate Appropriations Committee](#) has not yet considered budget enforcement legislation or any of the FY11 bills.

HIGHER EDUCATION ISSUES THAT IMPACT RICE

American COMPETES reauthorization:

The [Senate Commerce Committee](#) is expected to mark up its version of the America COMPETES reauthorization bill on Thursday, July 15.

The Senate measure is expected to be a three-year reauthorization bill that includes few if any new programs. The bill, which reauthorizes spending for basic research programs at the NSF, the Department of Energy's (DOE) Office of Science and the Department of Commerce's National Institute of Standards and Technology, may take 11 years to double the budgets at the three agencies, rather than the 10 in the House version.

The House version of the bill ([H.R. 5116](#)) approved in May is a five-year, [\\$84 billion package](#) that authorizes significant funding increases for the three agencies, including for DOE's Advanced Research Projects Agency. The measure also increases support for undergraduate and graduate education programs in science, technology, engineering and mathematics. See the [May 19 Government Relations Update](#) for more information.

FEDERAL LEGISLATIVE UPDATE

War supplemental

The House voted [239-182](#) on July 1 to approve an amendment adding more than \$21 billion in domestic spending to the \$59 billion Senate-passed FY11 wartime supplemental appropriations bill ([HR 4899](#)). The package went back to the Senate for further consideration after the July 4 recess. The House amendment faces a threatened presidential veto.

The amendment includes \$10 billion for education jobs and \$4.95 billion to cover some of the Pell Grant shortfall. The education jobs funding includes a maintenance-of-effort (MOE) requirement covering both K-12 and higher education which, as described in the bill [summary](#), aims to "ensure that states use these funds only for preservation of jobs serving elementary and secondary education, and not to supplant state spending on education."

[Rep. Lloyd Doggett](#), D-Texas, successfully included language that exempts Texas from the MOE section of the bill and requires the state to guarantee that the federal money will not be used in place of state education funds. While it is unclear what the impact will be on higher education institutions in Texas, the Doggett language has been met with concern from [Gov. Rick Perry](#), several members of the Texas Legislature and the [Texas Education Agency](#). To read more, [click here](#).

The Senate version of the supplemental funding bill, approved on May 27, does not include funding for education jobs or the Pell Grant program, and additional Senate action is needed for final passage.

NASA

In a June 18 letter to House [Speaker Nancy Pelosi](#), D-Calif., the Obama administration submitted a number of amendments to its FY11 budget request, including the reallocation of \$100 million from NASA to the departments of Labor and Commerce for jobs and economic development. The funding would come from the \$4.2 billion requested for the Exploration Systems Mission Directorate.

According to the [June 18 edition of Space News](#), \$30 million would be moved to the Commerce Department for economic development assistance programs around the Kennedy Space Center and \$45 million to assist those affected by the cancellation of the Constellation manned-space program. The Labor Department, meanwhile, would get \$10 million for Florida-based workforce initiatives and \$15 million to promote job growth in other parts of the country, including Texas, expected to suffer post-shuttle economic hardship.

In addition, the Senate Committee on Commerce, Science and Transportation is moving towards passing an authorization bill that would reverse [President Obama's](#) proposed changes to [NASA's human space flight](#) program. For more information, click [here](#).

Meanwhile, President Obama announced a new [National Space Policy](#) June 28 aimed at encouraging greater international collaboration in space-related activities and calling for greater opportunities for the commercial space enterprise.

Harkin hearing on for-profit colleges

[Senate Health, Education, Labor and Pensions Committee Chairman Tom Harkin](#), D-Iowa, has begun a series of [oversight hearings](#) on how for-profit institutions of higher education are using federal student financial aid programs. The first hearing, held June 24, focused on allegedly questionable practices related to accreditation, student recruitment and reporting of enrollment and graduation data.

Harkin released a committee [report](#) that said that students attending for-profit schools account for less than 10 percent of all those enrolled in colleges and universities but receive 23 percent of all federal student financial aid — approximately \$23.9 billion in the 2008-09 school year. They also account for 44 percent of student loan defaults. Enrollment at for-profit institutions has increased by 225 percent over the past 10 years, with nearly 2 million students enrolled in 2008.

The report and the oversight hearings follow the June 16 release of Education Department [draft regulations](#) that aim to tighten rules for for-profit colleges. House and Senate leaders also have asked the [Government Accountability Office](#) to assess the quality of for-profit institutions, as well as how much of their revenue comes from federal student aid and other federal funding sources.

The review could lead to harsher scrutiny for all colleges and universities, as worries mount over tuition increases and poor educational outcomes.

IN CASE YOU MISSED IT

President Leebron's statement on conference realignment

President Leebron has issued a statement addressing the recent furor over conference realignment and its potential impact on Rice. To read the statement, [click here](#).

Rep. Villarreal, D-San Antonio, visits Rice

Texas state Rep. Michael Villarreal, D-San Antonio, visited Rice's campus July 8 to learn more about its programs aimed at improving teacher quality. During his tour, he visited with the [Rice Education Entrepreneurship Program](#), the [Glasscock School of Continuing Studies](#), the [Center for Biological and Environmental Nanotechnology](#) and the [Rice University School Mathematics Project](#). Villarreal said he intends to focus his attention on improving educational quality and outcomes during the 2011 legislative session. For more information about Villarreal, visit his website [here](#).

Rice wins \$3.7 million for cancer research

The [Cancer Prevention and Research Institute of Texas](#) (CPRIT) has granted \$3.7 million to Rice University researchers to fund an innovative cancer diagnostics program. The funds will support work at the BioScience Research Collaborative by John McDevitt, Rice's Brown-Wiess Professor in Bioengineering and Chemistry, intended to make the Texas Medical Center the hub for diagnostics research on cancer and other diseases. To read the full release, [click here](#).

National Academies launches committee for study of research universities

The [National Research Council](#) recently announced the launch of its [Committee on Research Universities](#), which has been tasked by a bipartisan group of legislators with studying the health and competitiveness of the nation's research universities. Chaired by former DuPont CEO Chad Holliday, the committee plans to hold several public meetings to gather information, with the goal of issuing a consensus report in May 2011.