

GOVERNMENT RELATIONS UPDATE

September 2011

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STATE AND FEDERAL OVERVIEW

As Congress went back into session after the August recess, the slow economic recovery and high unemployment continued to dominate the agenda. While Congress was preoccupied with finding a compromise on raising the debt limit in July, many other important issues were sidelined. The pace was expected to pick up a bit over the next few months – before the presidential campaign puts things on hold again -- with President Obama laying out an aggressive jobs plan and the debt limit commission getting meetings under way to discuss spending cuts as part of its mandate to develop a comprehensive budget plan to deal with budget deficits and the national debt.

In Austin, things have been quiet since the legislative session ended and will remain so until the interim committees begin to meet in January. Interim committees will soon be provided with instructions about which issues to study before the next legislative session opens in January 2013. For more information about how the 2011 legislative session impacted Rice, please refer to the July Government Relations [update](#).

Rice continues to raise its profile with congressmembers, state legislators and their staffs. The next few months will be devoted to educating state and federal leaders about the importance of student aid and research funding, to continuing build relationships that will help build support for Rice’s priorities, and to building Rice’s new grassroots network.

WASHINGTON UPDATE***Budget cuts and deficit reduction plan***

On Aug. 1 President Barack Obama signed into law the Budget Control Act (BCA), the bipartisan compromise legislation approved by Congress following months of political maneuvering and posturing by both sides of the aisle. The new law permits the president to raise the ceiling on the national debt and provides for more than \$2 trillion in deficit reduction over the next decade.

The BCA creates two stages of debt ceiling increases and deficit reduction. It also creates a 12-member House and Senate committee — six from each chamber, equally divided between Democrats and Republicans, and appointed by the majority and minority leaders. The new Joint Select Committee on Deficit Reduction must recommend specific ways to reduce the

deficit by an additional \$1.5 trillion by 2021. If the proposal fails to become law, then it will automatically trigger sequestration — across-the-board spending cuts — established to impose fiscal discipline and reduce the national debt. To see the entire list of the 12-member committee, which includes Rep. Jeb Hensarling, R-Texas, as co-chair, click [here](#).

The BCA also requires Congress to vote on a balanced-budget constitutional amendment. To read more about the Budget Control Act, click [here](#).

Debt limit deal provides additional funds for Pell Grants

While the BCA was dominated by spending cuts, the deal also provided \$17 billion to help fill the gap in funding for Pell Grants, including \$10 billion in fiscal year (FY) 12 and \$7 billion in FY13. This still leaves funding roughly \$1 billion short of what's needed this year to keep the maximum Pell grant at \$5,550. The additional funding is paid for in part by the elimination of the in-school interest subsidy for most graduate student participants in the federal student loan program. A similar subsidy for undergraduate borrowers was not affected. To read more about Pell Grants, see previous Government Relations Updates by clicking [here](#).

FY12 appropriations and the impact on Rice

The House has passed six of the 12 FY12 appropriations bills: agriculture, defense, energy and water, homeland security, legislative branch, and military construction/veterans affairs. The Appropriations Committee has approved three others: commerce/justice/science, financial services, and interior/environment. The committee has not acted on the labor/health/education, state/foreign operations, and transportation/HUD bills.

The Senate Appropriations Committee has acted on only one bill — military construction/veterans affairs — which also has passed the full Senate. Now that the BCA has provided the Senate with a framework for discretionary spending limits, the committee was expected to approve allocations for its 12 subcommittees when business resumed in September. To view a chart about the status of these bills, click [here](#).

The House has been operating under the budget resolution it adopted earlier in the year. That measure established a ceiling on discretionary spending that is some \$24 billion lower than the limit established by the BCA. The BCA limits, which are a total of \$7 billion below the FY11 funding levels, are ceilings, and not floors, so the House could decide to continue operating with its own spending levels. Assuming the Senate appropriates all or nearly all of the funds allowed under the BCA, this could set up a House-Senate confrontation that would need to be resolved later this year to produce final appropriations bills.

As the appropriations process continues to unfold, we will update you on the specifics of how Rice may be impacted.

“Funny sounding science” hearing

Sen. Tom Coburn, R-Okla., gained national attention in May for his attacks on silly science when he issued a harsh report – *The National Science Foundation: Under the Microscope* -- that attacked the NSF for, among other things, funding research that tested shrimp on treadmills. Turns out, the research is helping shed light on the effect of hypoxia in Gulf of Mexico on marine life and fisheries, but the story took on a life of its own, for example in this YouTube [video](#) -- which drew more than 1 million views. The speedy shrimp has been taped running to the “William Tell Overture,” “Chariots of Fire” and other musical selections as viewers puzzled over why scientists were wasting taxpayer money on this “silly science.”

Rep. Mo Brooks, R-Ala., chairman of the House Science, Space and Technology Subcommittee on Research and Science Education, responded by holding a hearing titled “The Merit Review Process: Ensuring Limited Federal Resources are Invested in the Best Science,” on July 28. The discussion focused on ways to streamline the process of evaluating thousands of grants

submitted each year. According to an article in Inside Higher Education, in 2010 NSF received more than 55,000 proposals, which it then whittled down to 13,000. About half of the NSF's \$7 billion budget was used for those grants, as well as continuing grants approved in previous years, according to the subcommittee. This hearing was just the first in a series of expected hearings in Congress that will continue to scrutinize federal funding for research. To read more, go to the committee website here, or read the Insider Higher Education story [here](#).

As pressure on spending increases, Congress will continue to seek ways to increase its oversight of federally funded research. In this environment, the scientific community needs to be even more conscious of titles, summaries and other language that might fuel political attacks on research. Advocates are responding with examples that show that even funny sounding examples, like federally funded research into the sex life of screwworms, often turns out to have significant benefits. The Association of American Universities has attempted to fight fire with fire by developing the [Scientific Inquirer](#) -- to employ some humor in explaining why silly sounding science may in fact lead to serious and beneficial discoveries.

Patent reform update

The U.S. Senate approved the Leahy-Smith America Invents Act, H.R. 1249, by an 89-9 margin on Sept. 8 and sent it to the president for his signature. H.R. 1249 passed the House earlier this summer and caps a six year effort to pass patent reform legislation. While the bill was not without opposition, most lawmakers realized that the patent system plays a critical role in enabling universities to transfer research discoveries to the commercial sector, which creates jobs and drives economic competitiveness. The legislation includes provisions that will improve patent quality, reduce patent litigation costs and provide increased funding for the U.S. Patent Trade Office. To read more about this legislation, click [here](#).

Rice has a very robust and successful patent portfolio. According to Rice's Office of Research, "in fiscal year 2010, there were 80 new invention disclosures, the second highest number of disclosures ever received, and there was \$1,736,722 in total revenues, the highest amount ever achieved – and an 18 percent increase over revenues realized in the previous year. In addition, for the first time, patent fee reimbursements (\$1,452,870) exceeded patent expenses (\$1,313,527). Finally, two new Texas based start-up companies were formed to commercialize Rice technologies." The legislation should help Rice continue to grow its patent disclosures.

IN CASE YOU MISSED IT

Provost testifies on the commercial potential of nanotechnology before Senate Commerce subcommittee

Rice Provost George McLendon told a U.S. Senate panel in July that federally funded nanotechnology research has sparked new technologies and commercial enterprises in energy, the environment and medicine. McLendon, the Howard R. Hughes Provost and professor of chemistry, testified before the Science and Space Subcommittee of the Senate Commerce Committee. The hearing focused on "National Nanotechnology Investment: Manufacturing, Commercialization and Job Creation." Sen. Kay Bailey Hutchison, R-Texas, asked Government Relations to provide a Rice speaker for the hearing.

McLendon's testimony was the second this year by a member of the Rice community on the National Nanotechnology Initiative. James Tour, the T.T. and W.F. Chao Professor of Chemistry, professor of computer science and professor of mechanical engineering and materials science, spoke to the House Science and Technology Subcommittee on Research and Science Education in April.

McLendon had his own cheering section at the hearing: More than 10 Rice students, who were spending their summer in Washington as interns, were sitting in the gallery. Several of them joined McLendon, Rice Government Relations Director Cory Kennedy and alumnus Charlie Landgraf, a Washington, D.C.-based lawyer, for lunch afterward.

To view a webcast of the Senate hearing, click [here](#), or to read the Rice News story, click [here](#).

Rice welcomes participants to its new Community Action Network

Alumni, faculty, staff, students and other friends of Rice University are being recruited to join a new outreach and advocacy effort called the Rice Community Action Network (Rice CAN) to raise the university's visibility and impact in governmental and other arenas. Rice CAN is a grassroots initiative that equips its members to help win governmental support for Rice priorities. CAN members will receive regular updates about what's going on at the Texas Legislature or in Congress, and on occasion will receive action alerts that ask them to contact an elected official about Rice's priorities.

Through CAN, the Office of Public Affairs will share information about Rice's priorities and provide talking points and other tools use to communicate with friends, coworkers, elected officials and others – like the Government Relations Update you are receiving today. CAN includes a software system that gives its members contact information for their elected representatives, and tips on how best to communicate with them.

Rice CAN will be managed by Rice Government Relations Director Cory Kennedy and Public Affairs Executive and Special Projects Assistant Rachel Foster.

To visit the CAN website and to join the network, click [here](#).

Rice students meet reality in Washington, D.C.

Working with the Leadership Rice program and alumnus Charles Landgraf '75, Government Relations was successful in securing three summer intern positions on Capitol Hill for Rice students. Senior Philip Tarpley, interned with Rep. John Culberson, R-Texas, who represents Rice, and wrote an article about his experience in Washington, D.C. To read Philip's article, *Rice Students meet reality in Washington, D.C.*, click [here](#). The plan is to continue and expand the internship program next summer.

Strategic Space Forum at BRC

The future of space science in Texas was the focus of the Strategic Space Forum July 1 at Rice University's BioScience Research Collaborative (BRC). President David Leebron introduced the day's discussions, which were attended by U.S. Rep. Pete Olson, R-Texas, Michael Coats, director of NASA's Johnson Space Center, and state Rep. John Davis, R-Houston. Other attendees included educators, researchers and members of Houston's business community, as well as NASA administrators and astronauts. The discussions included prospects for partnerships that will preserve and enhance Houston's strength as a world leader in space science and the wide range of technologies that spring from it. This forum was being followed up by a workshop Sept. 9 at the BRC. Both were part of several activities to celebrate the 50-year Rice partnership with JSC, called the Rice NASAversary, as part of the build up to Rice's centennial in 2012. To find out more about the workshop, click [here](#).