

Government Relations Update October 11, 2012

State and Federal Overview

Washington DC Update

Sequester Update

CRS Report

NSB Report

Texas Update

Gov. Rick Perry calls for upfront price tags at universities

Rep. Dan Branch calls for more outcomes-based higher ed funding

New Texas Committee Chairs

ICYMI

Online Education

National College Rankings

State and Federal Overview

The Rice campus is bustling with activity for its Centennial Celebration. To celebrate Rice's 100th anniversary, we are inviting friends and community members to help us commemorate the remarkable journey that has transformed Rice from a bold little institute on the edge of the prairie to an international institution on the cutting edge of education and research. The Centennial Celebration promises to be one of the most vibrant events ever held here. You can see a list of centennial events [here](#) and the centennial schedule [here](#).

In the meantime, we continue to focus on the upcoming elections. The president and majority control of the U.S. Senate and House are at stake this November. In Texas, it appears the Republican majorities in the state House and Senate are not in any serious jeopardy. However, one competitive race could dramatically alter the tone of the Texas Senate should Republicans control 20, rather than 19, seats. This race pits incumbent Sen. Wendy Davis, D-Fort Worth, against Rep. Mark Shelton, R-Fort Worth, in Senate District 10. In preparation for the upcoming legislative session, many lawmakers are suggesting that outcome-based funding for higher education will be a priority during the upcoming session. More information is available below.

WASHINGTON DC UPDATE

Sequester Update

As the Jan. 2 deadline approaches, the American Association for the Advancement of Science (AAAS) has issued a new [report](#) on the impact of the potential budget sequester on research and development (R&D) funding. The analysis shows that between FY13 and FY17, total federal R&D could be cut by at least \$50 billion below the FY12 baseline. Under current sequester rules, the National Institutes of Health (NIH) could lose \$11.3 billion, the Department of Energy Office of Science \$309 million, the National Science Foundation (NSF) \$2.1 billion and Defense Science and Technology \$6 billion over the five year period. The AAAS analysis includes the potential impact on federal R&D funding by state, with 19 states losing at least \$1 billion for university and industry R&D over the five years. Texas faces a \$2.8 billion reduction. The greatest losses would be in California with a potential cut of \$11.3 billion, followed by Maryland, Virginia, Massachusetts, Pennsylvania and New York. To read more about the impact this will have on Rice, click [here](#) and [here](#).

CRS Report: Higher education tax benefits

The Congressional Research Service (CRS) has prepared a new [report](#) on higher education tax benefits. The report summarizes the 14 tax benefits currently available to students and families to help pay for higher education and estimates the budgetary impacts of each of

those provisions. According to the report, "The Joint Committee on Taxation estimates the revenue foregone from offering these benefits to be \$78.9 billion between 2011 and 2015."

NSB Report: Concern about decline in public research funding

The National Science Board (NSB) released a report expressing concerns about reducing state funding and its impact on public universities. The report said a major funding cut "threatens the ability of major public research universities to educate new scientists and engineers, recruit and retain the best faculty and students, and continue performing top-quality research." State per-student funding for the nation's 101 public research universities already declined by an average of 20 percent in inflation-adjusted dollars between 2002 and 2010, even as enrollment grew by nearly 13 percent, the report said. Read more of the report [here](#).

TEXAS UPDATES

Gov. Rick Perry Calls for Upfront Price tags at Universities

At an Oct. 1 press conference, Gov. Rick Perry said he would like to see universities set tuition prices set for the four-year undergraduate period and tell students how much more their degree will cost if it takes them five or six years to graduate. Perry renewed a challenge he issued in his 2011 State of the State address for universities to design bachelor's degrees that only cost \$10,000. Since his initial proposal, nine schools have implemented or announced various approaches to the \$10,000 degree. Perry also called on the Legislature to tie 10 percent of state funding for universities to outcomes such as graduation rates in an effort to create incentives to bring the numbers up. Read more [here](#).

Branch Calls for More Outcomes-Based Higher Ed Funding

House Higher Education Committee Chair Rep. [Dan Branch](#), R-Dallas, went further than the governor and has called for tying up to 25 percent of state funding to better graduation rates. Two years ago during the 2011 session, the Legislature passed legislation that instructed the [Texas Higher Education Coordinating Board](#) to present proposals to the 2013 session for funding formulas that included outcomes-based approaches. Read more [here](#).

Lt. Gov. David Dewhurst names new committee chairs

Lt. Gov. David Dewhurst has named the new committee chairs for the state House and Senate, including a few surprises. Most important to Rice is that Sen. Kel Seliger, R-Amarillo, will replace Sen. Judith Zaffirini, D-Laredo, as the chair of the Senate Higher Education Committee. Zaffirini will replace Rice's state senator, Rodney Ellis as the chair of the Senate Committee on Government Organization. To read more about committee assignments, click, [here](#). The full list is below:

Administration – Sen. Kevin Eltife, R-Tyler

Agriculture, Rural Affairs & Homeland Security – Sen. Craig Estes, R- Wichita Falls

Business & Commerce – Sen. John Carona, R-Dallas

Criminal Justice – Sen. John Whitmire, D-Houston

Economic Development – Sen. Bob Deuell, R-Mesquite

Education – Sen. Dan Patrick, R-Houston

Finance – Sen. Tommy Williams, R-Beaumont

Government Organization – Sen. Judith Zaffirini, D-Loredo

Health & Human Services – Sen. Jane Nelson, R-Grapevine

Higher Education – Sen. Kel Seliger, R-Amarillo

Intergovernmental Relations – Sen. Juan Hinojosa, D-McAllen

Jurisprudence – Sen. Royce West, D-Dallas

Natural Resources – Sen. Troy Fraser, R-Abilene

State Affairs – Sen. Robert Duncan, R-Lubbock

Veterans Affairs & Military Installations – Sen. Leticia Van de Putte, D-San Antonio

Read Dewhurst's announcement [here](#).

ICYMI

Online education

Many elite institutions are offering free online classes for the public and this summer Rice announced its partnership with Coursera. To read more about this partnership click [here](#) and [here](#).

National College Rankings

Rice has been once again ranked the No. 17 best research university in the country by *U.S. News & World Report*. To read the story featured in Rice News, click [here](#).