

Issue #8

GOVERNMENT RELATIONS UPDATE

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WASHINGTON, D.C., UPDATE***Overview***

Still shocked by the Republican landslide in the midterm election, members of Congress returned to Washington, D.C., this week to begin a lame duck session, although it remains unclear what the legislative agenda will be. Among the top items on the to-do list will be finalizing the fiscal year 2011 budget. Before leaving town in early October, Congress passed a [continuing resolution](#) (CR) to keep the federal government funded until Dec. 3. Although the new federal fiscal year started Oct. 1, Congress has not given final approval to any of the [12 FY11 appropriations bills](#). The CR generally maintains funding for federal departments and agencies at FY10 levels and does not include any congressionally directed spending, or so-called "earmarks."

Among the options would be to pass a year-long continuing resolution, which would likely maintain FY10 funding levels for the next year, or an omnibus appropriations bill, which could include all of the individual spending bills. In any event, the outlook for earmarks appears to be grim in the face of what many congressmembers perceive to be a voter mandate to cut federal spending. Despite all the uncertainty and political battles ahead, there is no question that the 112th Congress will focus on deficit reduction and the overall economic health of the country.

We will send another update after the lame duck session adjourns.

Post-election analysis

As the votes were counted after polls closed on Nov. 2, the country witnessed a drastic change in the political landscape. Overall, Republicans won 63 seats for a majority in the U.S. House of Representatives, with one seat still undecided, picked up six seats in the U.S. Senate and increased the number of Republican governors to 29. To put this in perspective, in the [1994 landslide](#) Republicans only gained 54 seats in the House. To view the new makeup of the House and Senate, click [here](#).

As a result there are 16 new freshman senators and, so far, 94 new House members. With a new majority and so many new faces, even pundits are having a difficult time predicting what the coming congressional session will bring. Many predict an even more polarized environment that will only intensify as the hot and heavy politics of the 2012 presidential election kick in next summer.

Rice alumni [Pete Olson](#), R-Texas, and [John Kline](#), R-Minn., were reelected and are now in the majority in the House. Kline is expected to become chairman of the [House Education and Workforce Committee](#). To learn more about Kline's likely new role, click [here](#). Olson may be in a strong position to earn a seat on the [Energy and Commerce Committee](#), or to chair a [Science and Technology subcommittee](#). Rice's House representative, [John Culberson](#), won an easy reelection and may move into a more powerful role on the [Appropriations Committee](#). Overall, the Texas delegation is expected to have more influence during the new Congress. To read more, click [here](#).

There were even more dramatic results in Texas. Republicans won 22 seats in the Texas House to gain a 99-51 majority -- only one vote short of the supermajority needed to tap the state's [rainy day fund](#) or to pass a constitutional amendment. Rice's state representative, Democrat [Ellen Cohen](#), was defeated by Republican newcomer [Sarah Davis](#). Rice alumnus [Scott Hochberg](#) won reelection. Rice's county commissioner, [Sylvia Garcia](#), was also defeated by another Republican newcomer, [Jack Morman](#).

For Rice, this means building relationships with new government representatives and introducing them to its mission, accomplishments and aspirations. Representative-elect Davis is scheduled to visit campus early in December to begin that process. In addition, Rice will continue to build on existing relationships with its two U.S. House alumni and members of the Texas delegation, including the three newly elected members. Rice is again helping with state Sen. [Rodney Ellis](#)' international internship program and will continue to work with his office during the upcoming legislative session.

In short, the election, coupled with huge state and federal deficits, means tighter budgetary times ahead. At the federal level, earmarks will be an early, albeit largely symbolic, casualty of the new fiscal austerity. At the state level, a growing deficit will put nearly every higher education dollar under intense scrutiny, with public institutions likely facing more budget cuts and private colleges facing fewer dollars for, or even elimination of, some student aid and research programs.

Despite the funding challenges there will also be opportunities to showcase the state-of-the-art education and research at Rice and to build support for its priorities. Therefore, Rice must continue to have a disciplined and focused approach to reaching out to state and federal government officials.

Federal spending cuts

As noted earlier, many Republicans credit their historic victory to what they believe is public discontent with Washington's irresponsible fiscal policies as well as the administration's unpopular policies. As a result, Congress is unlikely to increase funding for FY10 during the lame duck session, and [President Obama](#) will feel heavy pressure to make further cuts in his [FY12 budget plan](#), some of which he has already proposed.

Obama has [directed](#) the [Office of Management and Budget \(OMB\)](#) to submit FY12 budget proposals that total 5 percent less than their original estimates that were based on their FY11 budget submissions, and he has asked for a list of low-impact programs totaling an additional 5 percent of an agency's discretionary budget. This will result in cuts of 5–10 percent from previous FY12 estimates.

In addition, the Republicans have announced the “Pledge for America,” their blueprint for their upcoming legislative agenda. Included in the pledge was language that says “with common-sense exceptions for seniors, veterans and our troops we will roll back government spending to pre-stimulus, pre-bailout levels saving \$100 billion.” To read the entire pledge, [click here](#).

The [American Association for the Advancement of Science](#) (AAAS) did an analysis of the \$100 billion savings, which amount to a return to FY08 spending levels, and concluded it would cut \$8 billion, or 12.3 percent from the president's FY11 request currently before Congress – a request that already does not include stimulus or onetime expenditures.

To put that in perspective, here is how these cuts would affect three agencies important to Rice:

- NIH: down 9 percent, or a cut of about \$2.9 billion, which would deny funding to about 4,100 research grants
- NSF: down 19 percent, or a cut of about \$1 billion and close to 2,300 fewer research grants
- DOE-Office of Science: down 15 percent, or a cut of about \$663 million.

To read more about the AAAS analysis, click [here](#) or [here](#) to view the accompanying table.

President Obama made it clear during his Nov. 3 press conference that “I want to make sure that we're not cutting into education that is going to help define whether or not we can compete around the world. ... I don't think we should be cutting back on research and development, because if we can develop new technologies in areas like clean energy, that could make all the difference in terms of job creation here at home.” To read more from the press conference, click [here](#).

Earmark moratorium

Last March, the House Republican Conference pledged to adopt a unilateral moratorium on all earmarks if they won a majority in the upcoming elections, and on Nov. 15 Senate Minority Leader Mitch McConnell [announced](#) that he would join the House Republicans in support of a moratorium. “Nearly every day that the Senate's been in session for the past two years, I have come down to this spot and said Democrats are ignoring the wishes of the American people,” he said. “When it comes to earmarks, I won't be guilty of the same thing. ... Banning earmarks is another small but important symbolic step we can take to show that we're serious, another step on the way to serious and sustained cuts in spending and to the debt.”

Later that day, President Obama issued a [statement](#) applauding McConnell's support for the moratorium and said that he looked forward to working with Congress “to not only end earmark spending, but to find other ways to bring down our deficits for our children.” Yet, even with the president's support, it is unclear whether McConnell will be able to garner enough bipartisan support to halt all Senate earmarks.

NASA reauthorization

After a long and heated battle between the administration and members of Congress, on Oct. 11 President Obama signed the three-year, \$58.4 billion NASA Authorization Act of 2010 ([S.3729](#)) into law. The new law calls for the development of a new Space Launch System (SLS) that includes a heavy-lift launch vehicle “capable of carrying a total payload of 130 tons or more into low-Earth orbit in preparation for missions beyond low-Earth orbit.” Houston’s Johnson Space Center (JSC) will retain program management of the SLS. To read the full press release, click [here](#).

The fate of the space shuttle program is a mixed bag for JSC. Congress authorized two or three more shuttle missions over the next three years, but voted to retire the space shuttle after that. The law extends U.S. support of the International Space Station until 2020 and authorizes federal funding for the Commercial Orbital Transportation Services program, which would provide \$1.6 billion over the next three years to subsidize the development of a commercial space industry that would take over ferrying astronauts and supplies to the space station.

On top of calling for the development of new human space flight capabilities designed for missions beyond near-Earth space, the law includes near-term “cis-lunar space” missions to regions on and around the moon. Of importance to research universities, the legislation authorizes sustained funding for research and development of aeronautics and space technology, as well as Earth and space science research. In addition, the bill also included language authorizing \$155 million for Human Research at the National Center for Human Performance which is located at the Texas Medical Center in FY11 alone.

The legislation marks a significant change in the landscape of the U.S. space program. It moves resources away from government-operated low orbit space flight and toward a commercial space industry. Key players in the legislation were Texas Sen. [Kay Bailey Hutchison](#) and Rep. Pete Olson, whose district includes JSC, who joined Sen. [Bill Nelson](#), D-Fla., in leading opposition to the elimination of the Constellation program and helped protect two Constellation projects.

FEDERAL LEGISLATIVE UPDATE

Small business jobs bill with cell phone tax provision

President Obama signed [the Small Business Jobs Act](#) into law Sept. 27. The law removes cellular phones, smart phones and other mobile communication devices from the application of IRS-listed property rules, which eliminates the need for time-consuming and costly record-keeping. The law includes the MOBILE Cell Phone Act ([S.144](#)) which, according to the CTIA-The Wireless Association, “means individuals who have a business-provided mobile device are no longer required to record: the amount of such expense or other items; the time and place of the use of the property; the business purpose of the expense; and the business relationship to the taxpayer of the persons using the property.”

Human embryonic stem cell

On Sept. 7, the U.S. Court of Appeals for the District of Columbia granted the Department of Justice’s

request for an immediate stay of the preliminary injunction issued by U.S. District Court Chief Judge Royce Lamberth banning government funding for stem cell research in which human embryos are destroyed. Lamberth ruled that the executive order signed by President Obama to allow some additional forms of federally funded human embryonic stem cell research did not trump existing federal law, specifically the 1995 Dickey-Wicker amendment that prohibited the use of federal funds for that purpose. Lamberth also argued that the NIH had put adult stem cell researchers at an unfair disadvantage for winning federal grants.

The Obama administration appealed the decision, arguing that the injunction overstepped the bounds of the court's jurisdiction and endangered years and millions of taxpayer dollars' worth of research. The appellate court granted the DOJ's appeal for the stay to provide "sufficient opportunity to consider the merits" of the case.

In the meantime, the [NIH](#) has resumed funding these research projects.

STATE LEGISLATIVE UPDATE

Looming budget deficit

The 82nd session of the biannual Texas Legislature convenes Jan. 11, 2011, and runs through May 30, with lawmakers facing huge challenges from the growing state budget deficit and redistricting. Sales tax collections continue to fall short of projections, which add to the uncertainty of the state budget situation. While estimates vary widely about the size of the deficit, some reputable sources are estimating it at \$20 billion to \$30 billion. Virtually every appropriation will be under scrutiny and facing cuts, including student aid and research programs important to Rice. For more information, click [here](#).

Potential speakers race

On top of the challenges with redistricting and the budget deficit, the Legislature also may face a heated race for the powerful position of speaker of the Texas House. Just recently, the 2009 legislative session was significantly delayed by a battle that led to [Joe Straus](#), R-San Antonio, ousting Tom Craddick, R-Midland, as speaker.

In 2011 Straus will be fighting for the speaker's gavel against respected Rep. [Warren Chisum](#), R-Pampa, who served as chair of the Appropriations Committee under former [Speaker Craddick](#), and Rep. [Ken Paxton](#), R-McKinney, who has peeled off a few pledges from Straus. While conventional wisdom says Straus has the votes to retain his speakership, there is potential for some serious political infighting and early stalemate.

To read more about this developing issue, visit the Houston Chronicle [here](#), Burka blog [here](#) and an interactive flowchart from the Texas Tribune [here](#).

IN CASE YOU MISSED IT

Rice alum in charge of TLC

Deborah Irvine '74 has been appointed executive director of the Texas Legislative Council (TLC). Irvine had served as temporary executive director since September, but was officially named to the legislative support agency's top staff position on a unanimous vote by the council's governing body. The TLC is a nonpartisan legislative service agency that provides bill drafting, computing, research, publishing and document distribution services to the Texas Legislature and state agencies.

To read the press release, [click here](#).

Connexions hearing in Austin

Rice Engineering Dean Sidney Burrus addressed a Texas Senate Higher Education Committee hearing about Connexions, Rice's open source educational consortium. Burrus caught legislators' attention by testifying about the cost savings this could produce for state schools that would have access to its free textbook content. To see the whole hearing, click [here](#). Burrus' testimony is at 314.22. in the video. To read more about Connexions, visit the website [here](#).

Deficit commission releases primary report

On Nov. 10, the leaders of President Obama's Commission on Fiscal Responsibility and Reform, Erskine Bowles and former Sen. Alan Simpson, released a [draft proposal](#) aimed at saving \$4 trillion over the next decade through a mix of federal spending cuts and elimination of certain business and individual tax breaks. Commission members are reviewing and squabbling over the draft plan, and the commission's recommendations were released Dec. 1. It was unclear at this writing whether the report will garner the 14 votes needed from the 18-member commission to send it on to Congress.

The draft calls for a cut-and-invest approach that would cut low-priority spending while protecting important investments for the future, including education and "high-value R&D." The co-chairs recommend establishing a "bipartisan Cut-and-Invest Committee to de-authorize outdated, low-priority and inefficient programs and recommend high priority long-term investments."