

**GOVERNMENT RELATIONS UPDATE**

Feb. 17, 2010

**CONGRESSIONAL SCHEDULE**

The 111<sup>th</sup> Congress has returned from its winter recess to face a domestic agenda loaded with key issues including health care reform, jobs and the economy, climate change and the fiscal year 2011 budget. On Jan. 27, [President Barack Obama](#) gave his State of the Union address and identified the economy and the budget deficit as two of his top priorities.

**FEDERAL APPROPRIATIONS UPDATE**

**President Obama releases FY11 proposed budget.** President Obama released his proposed budget for FY11 on Feb. 1. The full budget proposal can be seen [here](#):

- [National Science Foundation \(NSF\)](#): The administration requested \$6 billion for research in FY11, an increase of \$454.9 million, or 8.2 percent, over the final FY10 budget. This includes proposed increases for biological sciences (7.5 percent), engineering (11 percent), mathematical and physical sciences (4.3 percent). The full proposed NSF budget can be seen [here](#).
- [National Institutes of Health \(NIH\)](#): The administration requested \$32.01 billion in FY11 for NIH, an increase of \$1 billion, or 3.2 percent, over FY10. The proposed budget would support 9,052 new research project grants in FY11, down 155 from FY10. The full proposed NIH budget can be seen [here](#).
- [Department of Energy \(DOE\)](#): The administration requested \$28.4 billion in FY11 for DOE, an increase of \$1.8 billion, or 6.8 percent, over FY10. The DOE Office of Science budget would grow to \$5.1 billion, an increase of \$218 million, or 4.4 percent. This includes proposed increases for high energy physics (2.3 percent), nuclear physics (5 percent), biological and environmental research (3.8 percent), and basic energy sciences (12.1 percent). Fusion energy sciences would decrease by 10.8 percent. The full proposed DOE budget can be seen [here](#).
- [Department of Defense \(DOD\)](#): The administration requested \$76.77 billion for research, development, testing and evaluation in FY11, an increase of \$2.18 billion, or 2.8 percent, over FY10. This includes \$11.83 billion for science and technology, up 1.6 percent. The budget provides \$2 billion for basic research programs in FY11, an increase of \$200.1 million, or 11.1 percent, over the president's FY10 request. Applied research programs would receive \$4.48 billion in FY11, an increase of \$229.2 million, or 5.4 percent, over the president's request in FY10. The full proposed DOD budget can be seen [here](#).
- [Department of Education \(Education\)](#): The administration requested \$49.7 billion in FY11 for DOE, an increase of \$3.5 billion, or 7.6 percent, over the FY10 enacted level. It provides \$34.8 billion for the Pell Grant program, an increase of \$17.3 billion, or 99 percent, in FY11. The proposed budget once again makes Pell Grants a full entitlement and directs that all student loan activity be transferred to the Direct Loan program. The full proposed education budget can be seen [here](#).
- [National Aeronautics and Space Administration \(NASA\)](#): The administration requested \$19 billion in FY11 for NASA, an increase of \$276 million, or 1.6 percent, over the FY10 enacted level. This includes \$5 billion for science, an increase of \$512 million, or 11.1 percent. Specific science increases include earth science (26.8 percent), planetary science (10.7 percent) and heliophysics (2.3 percent). Astrophysics would see a 2.7 percent decrease. Several members of Congress representing NASA facilities, including Rep. Pete Olson of Texas whose district includes the Johnson Space Center, have vowed to fight the president's plan to cancel the Constellation manned-flight program. The full proposed NASA budget can be seen [here](#).

President Obama is calling for a three-year spending freeze on numerous domestic programs, including agricultural subsidies and energy. While some agencies will see cuts and others could receive increases, approximately \$447 billion, or one-eighth of the federal budget, would remain flat.

## FEDERAL ISSUES UPDATE

**President Obama delivers first State of the Union.** On Jan. 27, President Barack Obama delivered his first [State of the Union Address](#) to a joint session of the U.S. Congress. Obama's speech came just one week after Massachusetts state Rep. Scott Brown won a special election in Massachusetts to complete the term of the late Sen. Edward Kennedy.

President Obama emphasized the need for continued efforts to create jobs, promote growth and begin the process of long-term deficit reduction. He reiterated his desire to see Congress reform the financial services industry and urged the House and Senate to complete work on health care reform. In the area of higher education, the president proposed a \$10,000 tax credit for four years of college and an increase in Pell Grants. He also outlined ideas for college loan forgiveness programs for students who pursue careers in public service. As they plan their next steps on major policy issues, congressional leaders are striking tones similar to the president and highlighting the need to increase jobs and economic opportunities.

**Scott Brown wins upset in Massachusetts Senate race.** Republican Scott Brown defeated Democrat Martha Coakley with 52 percent of the vote, overcoming a 20-point deficit in the polls from just one month earlier, to win the late Ted Kennedy's seat. With his victory, Brown provided Senate Republicans with the 41st vote that could be used to filibuster Democratic legislation. The outcome of the Massachusetts election has led to speculation about the outlook for legislation in Congress this year and for the November mid-term elections. The full story can be seen [here](#).

**Health care bill postponed.** Following Scott Brown's win in Massachusetts and Senate Democrats loss of a filibuster-proof 60 votes, congressional Democrats temporarily halted plans to push through health care reform. In an effort to restart the health care debate, President Obama invited congressional Republicans and Democrats to a White House Health Care Summit on Feb. 25. The full story can be seen [here](#).

**Citizens United v. Federal Elections Commission does not affect 501(c)(3)s.** In [Citizens United v. Federal Elections Commission](#), the U.S. Supreme Court ruled that the First Amendment's right to free speech protects unions and corporations in the same way it protects individuals with respect to sponsoring campaign advertisements. The IRS regulations that limit political activity by 501(c)(3) organizations were not affected. A full summary of the decision can be seen [here](#).

**Department of Energy (DOE) announces plans for three innovation hubs.** The [DOE](#) announced that it will invest \$366 million to create three new energy innovation hubs. The hubs will concentrate on high-risk research and development in three areas: fuel production from sunlight, energy-efficient building design and computer modeling and simulation for the development of advanced nuclear reactors. The "Fuels from Sunlight" funding opportunity announcement can be seen [here](#).

## STATE ISSUES UPDATE

**Two Rice researchers receive grants from the Cancer Prevention and Research Institute of Texas (CPRIT).** Rebecca Richards-Kortum, Rice's Stanley C. Moore Professor of Bioengineering, and Rebekah Drezek, a professor in bioengineering and electrical and computer engineering, both won awards from CPRIT on Jan. 21. Richards-Kortum will receive \$1.8 million to develop a new imaging system for the early detection of oral cancer. Drezek will receive \$200,000 to collaborate with Aaron Foster, assistant professor in the Center for Cell and Gene

Therapy, to explore a new cancer therapy that combines the advantages of both immunotherapy and light-activated photothermal therapy. The Rice University press release can be seen [here](#).

***Lt. Gov. Dewhurst releases interim charges for higher education.*** [Lt. Gov. David Dewhurst](#) released his interim charges to the Texas State Senate on Jan. 13. The Senate Higher Education Committee has nine charges. The first charge is to evaluate financial-aid programs, including plans to expand the Tuition Equalization Grant program so that it includes merit-based awards. All of the charges can be seen [here](#).