

Issue #5

GOVERNMENT RELATIONS UPDATE

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CROWELL AND MORING (WASHINGTON, D.C.) UPDATE

Rice's Washington, D.C., representatives at Crowell and Moring report that, with less than two weeks to go before adjourning for its week-long Memorial Day recess, Congress continues to make very little progress. When lawmakers return to Washington in June, they will face a full legislative agenda with a dwindling number of [days](#) until the mid-term elections in which to get things done.

In the Senate, the weeks-long debate over financial regulatory reform continues, with a goal to complete consideration of the legislation before the recess. The Senate also hopes to approve a supplemental spending bill to provide additional funding for the wars in Afghanistan and Iraq, as well as emergency relief funds for Haiti – and possibly to deal with the oil spill in the Gulf of Mexico – before leaving town at the end of the month. The [House of Representatives](#) is expected to act on the supplemental spending legislation after the Senate. In the meantime, [House](#) and [Senate](#) committees are conducting hearings on the oil spill.

Congress must also determine how to move forward with the fiscal year 2011 (FY11) federal budget. Because it is increasingly unlikely that the 12 individual appropriations bills will move through the normal legislative process, Congress may consider two or three measures that combine several appropriations bills or pass a continuing resolution to keep the government funded beyond the Oct. 1 start of the new fiscal year until sometime after the November elections.

Although the outlook for action is increasingly unlikely, some congress members continue to push for action on comprehensive climate legislation and Sens. [John Kerry](#), D-Mass., and [Joe Lieberman](#), I-Conn., introduced a new version of the [bill](#) last week that is likely to serve as the basis for any future debate. Finally, President Obama's nomination of Solicitor Gen. Elena Kagan to the [U.S. Supreme Court](#) adds another issue to the crowded Senate calendar that will require floor time -- likely before the month-long August recess.

HIGHER EDUCATION ISSUES THAT IMPACT RICE

Federal issues

American COMPETES reauthorization. The House Science and Technology Committee on April 28 approved a comprehensive, five-year [reauthorization](#) of the America COMPETES Act ([H.R. 5116](#)). This legislation was scheduled to pass on the House floor last week but was delayed by Republican political maneuvering. It was scheduled for a vote on the suspension calendar which requires a two-thirds majority. Unfortunately, the vote failed to garner the two-thirds majority. It is unclear at this time what action Chairman Gordon will take.

The measure reauthorizes programs and funding levels for the [National Science Foundation](#) (NSF), the [Department of Energy \(DOE\) Office of Science](#) and the Commerce Department's [National Institute of Standards and Technology](#) (NIST). The final committee-approved measure reduces the authorization levels for the three agencies by 10 percent from the bill introduced by [Chairman Bart Gordon](#), D-Tenn. The modification, made as part of a manager's amendment, authorizes doubling the agencies' budgets over 10 years, rather than the seven years authorized in 2007 by the original America COMPETES Act.

Rice currently supports this legislation as written and joined a group of 92 universities and university systems in sending a [letter](#) to leaders of the [House Science and Technology Committee](#) on April 26 urging them to act on a bipartisan reauthorization as quickly as possible.

NASA. [President Obama's](#) budget and his subsequent announcement in April called for reorganizing and shifting [NASA's](#) focus. This plan included the elimination of the Constellation program based at the Johnson Space Center in Houston, but also increased NASA's budget by \$6 billion over five years. To read the president's remarks, [click here](#); to read a New York Times article on the announcement, [click here](#).

The president's announcement was met with strong opposition from the Texas delegation, including Sens. [Hutchison](#) and [Cornyn](#) and Reps. [Culberson](#), [Green](#), [Olson](#) and [Jackson Lee](#) and many other Houston area leaders.

Hutchison, who is the vice chair of the Senate Commerce, Science, Transportation and Technology Committee held a hearing last week that included astronauts Neil Armstrong and Eugene Cernan and NASA Administrator Charles Bolden. To learn more about the committee hearing, [click here](#). To read the reaction from the Houston Chronicle on the hearing, [click here](#).

In addition, during the mark-up of the war supplemental (discussed below), Hutchison successfully included restrictive language that prevents the administration from terminating any aspect of the ambitious \$108 billion Constellation moon program before Sept. 30th, the end of the 2010 fiscal year.

Patent reform. The [Association of American Universities](#) (AAU) has joined with six other higher education associations in endorsing the bipartisan; compromise patent reform legislation ([S. 515](#)) announced March 4 by leaders of the [Senate Judiciary Committee](#). The legislation includes a number of improvements beneficial to universities, including provisions to limit the ability to carry out abusive serial challenges to patents. To read more about AAU's reaction, [click here](#).

Pell Grant shortfall. The recently enacted Health Care and Education Affordability Reconciliation Act (HCERA) established a 10-year mandatory funds account for the [Pell Grant](#) program intended to provide annual increases in the maximum award on top of its appropriated base. The bill set automatic annual increases in the maximum Pell Grant, which is scheduled to rise to \$5,975 by 2017 from \$5,350 this fiscal year. The new Pell initiative also includes \$13.5 billion to cover a shortfall caused by a steep rise in the number of Americans enrolling in college and seeking financial aid during the recession. To read more, [click here](#).

However, this year instead of the promised increase, millions of students could be looking at a sizable cut in their Pell Grant and thousands of others could see their grant eliminated entirely. AAU joined dozens of other concerned organizations to send a [letter](#) urging Congress to cover the current \$5.5 billion Pell Grant shortfall through an FY10 supplemental appropriations bill rather than the FY11 Labor-Health and Human Services-Education appropriations bill. The letter states that without supplemental FY10 appropriations, the Committee on Appropriations will have to pay for the shortfall by reducing FY11 funding for other programs or reducing the Pell Grant maximum award from the \$5,550 as promised by Congress for FY11 to \$2,840.

Texas issues

Advanced Research Program. Thanks to efforts by Rice Government Relations with help from Dr. Robert Curl and the Independent Colleges and Universities of Texas, the 2009 Texas Legislature allowed private institutions to compete for the first time for the [Norman Hackerman Advanced Research Program](#) (ARP) funds. To date, Rice has received a total of eight awards totaling \$1.223 million, which ranks fourth overall in Texas. To read more about the program and Rice's awards, [click here](#).

FEDERAL LEGISLATIVE UPDATE

FY11 budget resolution negotiations continue. House Democrats are continuing efforts to reach agreement on overall discretionary spending levels for the FY11 budget resolution. The [Senate Budget Committee](#) approved a version on April 22 that accommodated the Obama administration's requests for defense, homeland security and veterans programs, but that proposed a cut of \$4 billion beyond the president's planned freeze on non-security discretionary spending. The proposed reduction would be taken from the State Department. However, as the legislative calendar continues, it appears more [unlikely](#) that a budget resolution will win passage.

Congress can take up the FY11 appropriations bills without a budget resolution, but it cannot use the reconciliation process. Reconciliation allows measures affecting taxes and mandatory spending to pass the Senate with a majority vote, rather than the 60 votes needed to overcome a filibuster, which was the tactic used to pass comprehensive health care reform legislation.

War supplemental. The Senate has taken the lead on the war supplemental spending bill. The [Senate Appropriations Committee](#) unanimously approved a \$58.8 billion FY10 supplemental appropriations bill ([HR 4899](#)) that satisfies the president's request for additional war funding. The measure appropriates \$33.4 billion for the [Defense Department](#), \$5.1 billion for the [Federal Emergency Management Agency](#), \$6.1 billion for the [State Department](#) and foreign operations, and \$13.4 billion in mandatory funds for the [Veterans Affairs Department](#) to compensate Vietnam veterans exposed to the chemical defoliant Agent Orange. The bill also provides \$68 million of the president's requested \$118 million for the oil spill in the Gulf of Mexico. To read more, [click here](#).

Action is expected shortly on the Senate floor and then it will await action in the House, where additional challenges remain. This comes on the heels of the [announcement](#) by [House Appropriations](#) Chairman [David Obey](#), D-Wis., that he is retiring, which will add more challenges to the budgeting process ahead.

Financial reform debate continues on this week. The debate over in the Senate continues over the Restoring American Financial Stability Act of 2010 ([S 3217](#)) to overhaul Wall Street and the financial sector. [Sen. Harry Reid](#), D-Nev., has committed to complete the legislation by the end of the [week](#). When the House passes its version, the two bills will have to be reconciled in conference committee and approved again by both bodies before a final version goes to the president for his signature.

TEXAS LEGISLATIVE UPDATE

Budget challenges ahead. [House Appropriations](#) Chairman [Jim Pitts](#), R-Waxahachie, announced last week that he estimates the budget shortfall facing lawmakers during the 2011 legislative session to be around \$18 billion and could possibly even higher. His new estimate is significantly greater than the \$15 billion figure used in the past by the House's chief budget writer and reflects the growing sense among legislative leaders that revenues for the current biennium could be off by as much as \$3.5 billion. In response to this announcement, [Speaker Joe Straus](#), R-San Antonio, has stressed that the state must cover the budget shortfall without a tax increase. To read more about Rep. Pitts' announcement, [click here](#).

Following Rep. Pitts' announcement, [Lt. Gov. Dewhurst](#) came out with more optimistic budget numbers, but even he paints a bleak picture for the upcoming legislative session. To read more about Dewhurst's projections, [click here](#).

Budget experts say it is unclear how the shortfall can be made up by cuts alone. The looming deficit is expected to have some serious implications for many higher education programs, including the Advanced Research Program and the [Tuition Equalization Program](#) in which Rice participates.

Regardless of which projections are closer to the eventual deficit, there is no doubt that the 2011 session will be a challenging budget year ahead in Austin.

RICE PUBLIC AFFAIRS UPDATE

New government relations director. Cory Kennedy, a veteran of Washington, D.C., and Austin, Texas, joined the Rice's Office of Public Affairs in April as the new government relations director. Kennedy served Rep. Jim Gibbons, R-Nev., as his deputy chief of staff and legislative director for five years and led Gibbons' successful gubernatorial campaign in 2006. He joined Ryan Erwin and Associates, a political consulting firm, in 2007 and launched its Austin office. He's a graduate of the University of Colorado at Boulder and lives in Houston with his wife, Castlen, a government relations professional at Apache Oil. He replaces Ray Martinez, who went to work as chief of staff to state Sen. Judith Zaffirini, chair of the Higher Education Committee. Please contact Cory Kennedy at cory.kennedy@rice.edu or 713-348-6237 if you have questions or comments about these or other legislative, policy or ethics issues. For more information about Government Relations and other Public Affairs activities, go to www.rice.edu/publicaffairs.