



SUNY FEDERAL RELATIONS UPDATE

Monday, November 19, 2007

There has been a lot of action (or noteworthy inaction) over the past several weeks here in Washington, DC. I sent out an Update on Friday, November 16, summarizing recent action in the House of Representatives on the Higher Education Act and an Update on Friday, November 9, noting some interesting grant opportunities at NSF and DOE.

However, I thought it would be helpful to send out one more before the Thanksgiving holiday summarizing some of the other important activities we have been following, but have not had a chance to report on.

Both houses have now begun their Thanksgiving recess. The Senate will hold pro forma sessions during the recess and reconvene on Monday, December 3. The House will reconvene on Tuesday, December 4.

In addition to working to resolve the FY08 appropriations impasse, Congress hopes to make progress on energy legislation, the farm bill, the defense authorization bill, a war supplemental, children's health insurance legislation, a tax bill, the farm bill, and a trade agreement with Peru.

According to today's CQ's *Budget Tracker*:

Democrats appear to have a new strategy, but no certainty of success, in trying to complete the appropriations process when Congress returns in December.

Congress left for a two-week Thanksgiving recess having enacted just one of 12 fiscal 2008 spending bills, and after failing to override President Bush's veto of the Labor-HHS-Education bill. The Defense bill is the only enacted spending measure, and it included an extension of stopgap funding for the rest of the government through Dec. 14. It's widely expected another week-long extension will be needed — which would give Democrats a total of three short weeks in December to find a way to enact spending for the other 11 spending bills. Under the Democrats' new strategy, they plan to trim their overall discretionary spending increase over Bush's proposal by about half.

On November 9, I hosted a conference call for SUNY's campus-based federal relations liaisons to discuss some of these issues, but also to discuss the FY 2009 SUNY appropriations request process. We have received some of your requests already—thank you. For others, please remember that the deadline is November 30th.

Below are brief reports on a number of issues you might find of interest.

Best wishes for a Happy Thanksgiving,

Liz

Liz Clark, Director of Federal Relations
State University of New York (SUNY)
Washington, DC Office
444 North Capitol Street, NW; Suite 617
Washington, DC 20001
Office: (202) 220-1315 / Cell: (202) 384-4171

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- **Labor-HHS- Education Veto Override Fails**
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- **NSF Calls for Greater Access to Ph.D. Level Engineering Programs**
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President Signs Defense Appropriations Bill

While Congress and the Administration remain at odds over domestic spending, the President signed on November 13, the FY08 Defense appropriations bill (H.R. 3222), the first FY08 appropriations measure to be enacted. The bill includes a continuing resolution (CR) that extends discretionary funding for federal programs until December 14, generally at their FY07 levels, providing more time to address the current funding impasse.

➤ **DOD Indirect Cost Cap**

The final FY08 Defense appropriations bill contains a cap on the indirect costs of Defense basic research. Although the provision is final in this particular bill, the university research community is seeking every opportunity to remove the cap through other legislation. For that reason, we ask that you continue to express your opposition to the indirect cost cap to key Members of Congress and their staff. While the final provision is less onerous than the original 20-percent cap on indirect cost rates, the 35-percent cap on the amount of a grant that can be indirect costs remains an arbitrary limitation that is dangerous to the research enterprise. Not only does this cap limit reimbursement for real costs of research that are audited by federal agencies, but it has been enacted without congressional hearings or evidence of a problem. It also sets a harmful precedent that similar caps could be proposed for other federal agencies.

➤ **Defense Spending Bill Cuts S&T Funding Below FY07 Level but Basic Research Up 4.5 Percent**

The FY08 Defense appropriations conference report provides \$12.77 billion for science and technology (S&T) programs at the Department of Defense (DOD). This is a cut of \$556.9 million, or 4.2 percent, from the FY07 level, but it is \$2 billion, or 18.5 percent, more than the Administration's request. S&T programs include defense-wide and military service funding for 6.1 basic research, 6.2 applied research, and 6.3 advanced technology development. Most university-based defense research comes from 6.1 and 6.2 accounts.

For 6.1 basic research, the bill provides \$1.63 billion, a \$70 million, or 4.5-percent, increase over the FY07 level of \$1.56 billion, and a \$205.5 million, or 14.4-percent, increase over the Administration's request of \$1.43 billion. Applied research (6.2 programs) receives \$5.10 billion, a \$233.4 million, or 4.4-percent, cut from the FY07 level of \$5.33 billion, but a \$739.2 million, or 17-percent, increase over the Administration's request of \$4.36 billion. Advanced technology development (6.3 programs) receives \$6.04 billion, a \$393.5 million, or 6.1-percent, cut from the FY07 level of \$6.43 billion, but a \$1.05 billion, or 21.1-percent, increase over the Administration's request of \$4.99 billion.

The bill also funds the National Defense Education Program/SMART Program at the Administration's requested level of \$44.4 million, an increase of \$25 million above the FY07 level of \$19.4 million.

Overall, the committee approved \$77.27 billion for Research, Development, Test and Evaluation (RDT&E). This is an increase of \$1.32 billion, or 1.7 percent, above

the FY07 level, and \$2.15 billion, or 2.9 percent, above the Administration's FY08 request.

➤ **FY 2008 Defense Bill Includes \$10.4 million for SUNY**

The FY 2008 Defense conference report ultimately included \$10.4 million for five SUNY campuses per their FY 2008 appropriations requests. Individual campuses have been sent information regarding the status of their respective projects.

Labor-HHS- Education Veto Override Fails

On Thursday, November 15, the House failed to override the presidential veto of the Labor-HHS-Education Conference Report by a vote of 277-141. The vote was two shy of a veto override. This is unfortunate the bill includes healthy increases for a number of programs important to colleges and universities, such as Pell Grants and the National Institutes of Health (NIH). The White House released an official statement "strongly opposing" the bill, calling its spending levels "irresponsible and excessive."

The conference report also included \$2.35 million for eight SUNY campuses per their FY 2008 appropriations requests. It is unclear how earmarks will be treated as appropriators work to trim this budget and attempt to craft a bill that is agreeable to the White House. Individual campuses have been sent information regarding the status of their respective projects.

NSF Calls for Greater Access to Ph.D. Level Engineering Programs

The National Science Foundation recently posted a report that calls for 5,000 Ph.D.'s to be granted annually in engineering to U.S. and permanent residents. The Division of Engineering Education and Centers, *Directorate for Engineering National Science Foundation Division Plan 2007–2011*, calls for researching the question, "What changes are needed in both undergraduate engineering curricula and the graduate pathways to attract more U.S. citizens and permanent residents into advanced engineering, especially Ph.D. programs?" To view the entire report, go to: www.nsf.gov/publications/pub_summ.jsp?ods_key=nsf08011.

McCarthy Encourages Service-Learning

Congresswoman Carolyn McCarthy's (D-NY) bill, "Generations Invigorating Volunteerism and Education Act" (H.R. 2857) was reported out of committee and sent to the full House and would include a provision for grants to integrate service-learning projects into science, technology, engineering and mathematics (STEM) programs at the post-baccalaureate level in coordination with professionals in the field. Bill text is available through thomas.loc.gov by searching for "HR2857."

Higher Education Associations Comment on Senate Patent Reform

A group of higher education associations sent comments Oct. 15 to the Senate Judiciary committee on the "Patent Reform Act of 2007" (S. 1145). The letter, from the Association of American Medical Colleges, the American Council on Education, the National Association of State Universities and Land-Grant Colleges, the Association of American Universities, and the Council on Governmental Relations, thanks the committee for its "thoughtful development" of S. 1145 and provides comments on three remaining concerns of the university research community: damages, applicant quality submissions, and the post-grant review second window.

There are many other outstanding concerns with the legislation and many campuses, including SUNY campuses, are not as positive about the "thoughtful development" of the legislation as the Associations.

University Leaders Urge House Education Leaders Not to Add P2P Provisions to HEA Reauthorization Bill

A group of four university leaders wrote to members of the House Education and Labor Committee and the House leadership on November 7 urging them not to include in the reauthorization of the Higher Education Act (HEA) any provision on illegal peer-to-peer (P2P) file sharing sponsored by the entertainment industry. The four co-signers of the letter are the higher education members of the Joint Committee of the Higher Education and Entertainment Communities, a group that has worked for the past five years to develop workable means to reduce, if not eliminate, illegal file sharing on campus. They are William Kirwin, Chancellor of the University of Maryland System; John Hennessy, President of Stanford University; Dorothy Robinson, Vice President and General Counsel of Yale University; and Graham Spanier, President of the Pennsylvania State University.

The university leaders' letter is available at:

http://www.aau.edu/education/Ltr_Higher_Ed_Joint_Cmte_House_P2P_Provision_11-7-2007.pdf.

Ultimately, in the bill passed by the House Committee, in addition to simply disclosing to students its policies on copyright infringement on campus networks, campuses are required to develop a plan for offering alternatives to illegal downloading, as well as a plan to explore technology-based deterrents to prevent illegal "peer-to-peer" file-sharing

Higher Education Associations Support Education Provisions in Tax Extender Bill

A group of 13 higher education associations has written to all Members of the House endorsing three education provisions in the Temporary Tax Relief Act of 2007 (H.R. 3996) and urging Members to approve the bill.

Two of the education provisions would extend the above-the-line deduction for qualified tuition and related expenses and extend the IRA charitable rollover, which allows certain Individual Retirement Account (IRA) owners to make charitable deductions from their

IRAs directly to eligible charities. Both provisions otherwise are set to expire this year. The third provision would allow tax-exempt organizations, such as colleges and universities, to invest directly in domestic hedge funds without incurring the Unrelated Business Income Tax (UBIT).

The letter says that the associations are “extremely grateful” that the three provisions have been included in the bill and urges Members to support its final passage. The letter is available on the AAU Web site at:

http://www.aau.edu/issues/Ltr_Assn_House_HR3996t_11-06-07.pdf.

Political Clippings

CQ Politics recently reported the top leading fundraisers among House challengers through the first three-quarters of this year. Two New York seats are in the top five of that list. *CQ Politics* reported the following:

In a survey of campaign finance reports for activity through Sept. 30, filed with the Federal Election Commission in mid-October by House candidates for 2008 races, found a number of challengers who entered the final quarter of 2007 with sizable campaign treasuries — including a few who even raised more money than the incumbents for the year so far.

Best-funded House challengers for 2008

1) Jim Ryun, R, Kansas' 2nd, \$880,000 ([Nancy Boyda](#) , D)

2) Sandy Treadwell, R, New York's 20th, \$822,000 ([Kirsten Gillibrand](#) , D)

New York's 20th District (North Hudson Valley — Saratoga Springs, Glens Falls)

Challenger: Sandy Treadwell, Republican (\$822,000 raised, \$637,000 cash on hand)

Incumbent: [Kirsten Gillibrand](#) , Democrat (\$2 million raised, \$1.6 million cash on hand)

3) Francisco “Quico” Canseco, R, Texas' 23rd, \$819,000 ([Ciro D. Rodriguez](#) , D)

4) Andrew Saul, R, New York's 19th, \$782,000 ([John Hall](#) , D)

New York's 19th District (Hudson Valley — Peekskill)

Challenger: Andrew Saul, Republican (\$782,000 raised, \$452,000 cash on hand)

Incumbent: [John Hall](#) , Democrat (\$1 million raised, \$800,000 cash on hand)

5) Deborah Honeycutt, R, Georgia's 13th, \$708,000 ([David Scott](#) , D)

Examiner.Com Reports that Senators Earmark \$70 Million for their Old Schools

And, lastly, we thought you might be interested in this story from Examiner.Com:

http://www.examiner.com/a-1015841~Senators_earmark_70_million_for_their_old_schools.html