



SUNY Federal Relations Update Friday, January 23, 2009

FEDERAL ECONOMIC STIMULUS UPDATE

In the previous SUNY Federal Relations Update I shared with you the official summary document of the House economic stimulus legislation, the "American Recovery and Reinvestment Bill of 2009". I have a copy of the House legislation, as well as the report language that accompanies the legislation. Please just let me know if you are interested in receiving copies of these documents and I will forward them to you.

The House this week marked-up in Committee its various components of the legislation.

However, we have not yet seen the details of the Senate legislation. We are all anxiously awaiting its availability. It is important to remember that that House version of the bill is not necessarily the final version and there are still many steps in this process. Congressional leaders and the Administration still hope to see final passage of the legislation by mid-February.

In the meantime, the House version of the legislation is scheduled to go to the floor of the US House of Representatives for a vote on January 28th. I have written to legislative staff across the NYS delegation to highlight some of the provisions that will affect our colleges and universities. You may wish to use some of these talking points during your conversations with congressional offices; I have included them below.

There are many provisions of interest to our campuses across several different sections of the legislation. We should be pleased with the attention the legislation gives to public higher education. Among other items, the bill includes "\$39 billion to local school districts and public colleges and universities distributed through existing state and federal formulas" apparently spread over two years. This is a complicated provision but these allocations will certainly help New York State address its higher education budget needs.

The bill also provides \$6 billion for public and private higher education “renovation and modernization, including technology upgrades and energy efficiency improvements”. It is very important to note that this fund does not allow for new construction.

There is also funding to increase important student aid programs and federal support for research in several key agencies, including NSF, NIH, and the Department of Energy.

Below is a more detailed look at the provisions we are particularly interested in at SUNY. Please let me know if you have any questions, concerns or would like any supplemental information. Please also let me know if there are other provisions that are not mentioned below that have come to your attention and are important to your campus.

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The State University of New York and the "American Recovery and Reinvestment Bill of 2009"

EDUCATION

- \$6 billion for higher education, for renovation and modernization, including technology upgrades and energy efficiency improvements**

Across New York State, SUNY has identified \$1.5 billion in campus capital projects at our State Operated Campuses and \$453 million in campus capital projects at SUNY Community Colleges that could benefit from such funding.

We are somewhat disappointed that the House language prohibits spending these funds on new construction. Funding deferred maintenance is indeed critical, however we also believe building much needed classrooms and research facilities would have both immediate and long-term impacts on economic activity by creating jobs, producing more graduates, and contributing to the nation's workforce needs.

- \$79 billion in state fiscal relief, including: \$39 billion to local school districts and public colleges and universities distributed through existing state and federal formulas; and \$25 billion to states for other high priority needs such as public safety and other critical services, which may include education.**

In addition to the \$210 million in cuts SUNY faced over the last year, the 2009-2010 Executive Budget proposes additional reductions in State support. It is our belief that any funds made available to NYS through this provision will help stem some of the projected budget cuts we may face in the final 2009-2010 NYS Budget.

- Pell Grants: \$15.6 billion to increase the maximum Pell Grant by \$500, from \$4,850 to \$5,350.**

During the 2006-2007 academic year, more than 121,000 SUNY students benefited from the Pell Grant program, the cornerstone to lower-income students' financial aid packages. In addition to the provision which increases the maximum Pell Grant, we are also supportive of other student aid-related provisions, including:

- College Work-Study: \$490 million to support undergraduate and graduate students who work.**
- Student Loan Limit Increase: Increases limits on unsubsidized Stafford loans by \$2,000.**

This provision has the potential to increase access for some students. However, we would have preferred to see enhanced funding for Perkins Loans because of the lower interest rate (5%) and other flexibilities in the Perkins program.

SCIENTIFIC RESEARCH

Targeted support for science can quickly stimulate the economy. Agencies, such as the National Science Foundation (NSF), the National Institutes of Health (NIH), and the Department of Energy (DOE) Office of Science, have backlogs of grants and other projects which can be funded in short order. Scientific grants create both immediate jobs and longer term employment. Research instrumentation and construction leads to not only manufacturing and construction jobs, it is responsible for creating more technical and specialized manufacturing and construction, which adds even more to the local, state, and national economies.

In fiscal year 2007, SUNY's Research Foundation (RF) managed more than 7,400 campus-based research and grant programs. That same year, SUNY faculty filed 284 new invention disclosures, filed 193 patent applications, executed 45 licensing and option agreements and generated \$10.8 million in royalties from licensing SUNY inventions. The RF also received 33 U.S. patents, raising the total number of patents issued to the RF to more than 750. Any investments the federal government can make that ultimately keeps SUNY faculty engaged in cutting-edge scientific research can ultimately promote the state's economic development and job growth and contribute to innovation and industrial competitiveness.

- National Science Foundation: \$3 billion, including \$2 billion for expanding employment opportunities in fundamental science and engineering to meet environmental challenges and to improve global economic competitiveness, \$400 million to build major research facilities that perform cutting edge science, \$300 million for major research equipment**

shared by institutions of higher education and other scientists, **\$200 million to repair and modernize science and engineering research facilities at the nation's institutions of higher education and other science labs**, and \$100 million is also included to improve instruction in science, math and engineering.

- National Institutes of Health Biomedical Research:** \$2 billion, including \$1.5 billion for expanding good jobs in biomedical research to study diseases such as Alzheimer's, Parkinson's, cancer, and heart disease - NIH is currently able to fund less than 20% of approved applications – and \$500 million to implement the repair and improvement strategic plan developed by the NIH for its campuses.
- University Research Facilities: \$1.5 billion for NIH to renovate university research facilities and help them compete for biomedical research grants.** The National Science Foundation estimates a maintenance backlog of \$3.9 billion in biological science research space. Funds are awarded competitively.
- Department of Energy:** \$1.9 billion for basic research into the physical sciences including high-energy physics, nuclear physics, and fusion energy sciences and improvements to DOE laboratories and scientific facilities. \$400 million is for the Advanced Research Project Agency – Energy to support high-risk, high-payoff research into energy sources and energy efficiency.
- NASA:** \$600 million, including \$400 million to put more scientists to work doing climate change research, including Earth science research recommended by the National Academies
- National Institute of Standards and Technology: \$300 million for competitive construction grants for research science buildings at colleges, universities, and other research organizations**

CLEAN, EFFICIENT, AMERICAN ENERGY

As with the scientific research provisions, we believe these provisions have the potential to be competitively awarded to colleges and universities:

- Reliable, Efficient Electricity Grid:** \$11 billion for research and development, pilot projects, and federal matching funds for the Smart Grid Investment Program to modernize the electricity grid making it more efficient, secure, and reliable and build new power lines to transmit clean, renewable energy from sources throughout the nation.
- Energy Efficiency and Renewable Energy Research:** \$2 billion for energy efficiency and renewable energy research, development, demonstration, and deployment activities to foster energy independence, reduce carbon emissions, and cut utility bills. Funds are awarded on a competitive basis to universities, companies, and national laboratories.
- Energy Efficiency Grants and Loans for Institutions:** \$1.5 billion for energy sustainability and efficiency grants and loans to help school districts, institutes of higher

education, local governments, and municipal utilities implement projects that will make them more energy efficient.

- Department of Defense Research:** \$350 million for research into using renewable energy to power weapons systems and military bases.

HEALTHCARE

SUNY's Academic Medical Centers at the University at Buffalo and Stony Brook University, Downstate Medical Center, and Upstate Medical University, as well as the SUNY College of Optometry are vital the State and their local communities, educating the next generation of physicians, researchers, and other health practitioners to care for the citizens of New York. These healthcare-related provisions in the legislation have the potential to contribute to the fiscal health of these institutions:

- Health Information Technology:** \$20 billion to jumpstart efforts to computerize health records to cut costs and reduce medical errors.
- Medicaid Aid to States (FMAP):** \$87 billion to states, increasing through the end of FY 2010 the share of Medicaid costs the Federal government reimburses all states by 4.8 percent, with additional relief tied to rates of unemployment. This approach has been used in previous recessions to prevent cuts to health benefits for their increased low income patient loads at a time when state revenues are declining.
- Medicare and Medicaid Regulations:** The bill extends the moratorium on Medicaid and Medicare regulations through October 1, 2009.