



## **SUNY Federal Relations Update Monday, March 16, 2009**

Our office has spent a significant amount of time focused on the American Recovery and Reinvestment Act over the past several months. In an effort to provide you with the most up to date "economic stimulus" funding opportunities, we have created a webpage [http://www.suny.edu/govtRelations/federal/economic\\_recovery/index.cfm](http://www.suny.edu/govtRelations/federal/economic_recovery/index.cfm) with links directly to the legislation that created the American Recovery and Reinvestment Act, federal agency recovery websites, funding announcements divided into categories with brief descriptions about each grant, links to Governor Paterson's Economic Recovery site, and more.

Today's SUNY Federal Relations Update is rather long as I am sharing with you information on *other* recent federal actions—and there have been many—that you may also be interested in. As always, please let me know if you have any questions.

In today's SUNY Federal Relations Update:

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**CONGRESSIONAL BUDGET ACTIVITIES NOW FOCUSED ON FY2010**

The House and Senate Budget Committee plan to markup their fiscal 2010 budget resolutions the week of March 23. Although the annual “budget resolutions” do not carry the weight of law, the final agreement will serve as the official blueprint for the FY 2010 spending bills that will be produced by Congress later in the year.

## **PRESIDENT OBAMA’S FY1010 BUDGET PROPOSAL**

The Obama Administration issued *an outline* of the President’s FY 2010 budget on February 26, with mainly top-line budget information for agencies of concern to colleges and universities. The Administration is expected to submit a complete, detailed budget in April. The budget outline includes many controversial proposals to make major policy changes in such areas as health care and student aid and to institute a cap-and-trade system for greenhouse gas emissions.

Some members of congress have already expressed concern about the Administration’s proposal to fund the Pell Grant program as an entitlement rather than through the annual appropriations process and to raise the maximum award each year by inflation plus one percent. Some also expressed concern about the plan to eliminate subsidies to private student loan lenders and require all new student loans made after July 1, 2010, to be originated through the federal Direct Loan program. Members of congress, as well as college and university officials, are also taking a hard look at a White House proposal to pay for health care reform by limiting the overall amount of charitable deductions high-income earners may claim on their annual tax forms.

The President’s FY 2010 Budget Overview Document can be found here:

<http://www.gpoaccess.gov/usbudget/fy10/pdf/fy10-newera.pdf>

Education highlights can be found here:

[http://www.whitehouse.gov/omb/assets/fy2010\\_new\\_era/Department\\_of\\_Education.pdf](http://www.whitehouse.gov/omb/assets/fy2010_new_era/Department_of_Education.pdf)

Again, more details on the President’s FY 2010 Budget are expected to be released sometime in April. But, here are some of the highlights available so far:

### **National Institutes of Health**

The only information on the National Institutes of Health in the budget outline is the inclusion of \$6 billion to support cancer research. The document declares: “This funding is central to the President’s sustained, multi-year plan to double cancer research. These resources will be committed strategically to have the greatest impact on developing innovative diagnostics, treatments, and cures for cancer.”

### **National Science Foundation**

The FY10 budget includes \$7 billion for the National Science Foundation (NSF), compared to \$6.49 billion in the FY09 omnibus appropriations bill. This represents an increase of \$510 million, or 7.9 percent. The budget offers no breakdown of proposed FY10 spending for NSF.

### **Department of Energy**

No specific funding details are provided regarding investments in the Department of Energy Office of Science. The document does, however, emphasize the important role that basic science must play in developing alternative energy sources, stating: "As part of the President's plan to double Federal investment in the basic sciences, the 2010 Budget, along with the \$1.6 billion provided in the recovery Act for the Department of Energy's basic science programs, provides substantially increased support for the Office of Science."

### **Department of Education**

The budget includes the following proposals for student financial aid:

- Increase the maximum Pell Grant to \$5,550 in the 2010-2011 school year (a \$200 increase above the maximum grant funded through the American Recovery and Reinvestment Act, the House-passed FY09 omnibus appropriations bill, and the mandatory funding approved by Congress in 2007;
- Index the Pell Grant to the Consumer Price Index plus 1 percent in order to maintain its value in future years;
- Convert the Pell Grant to a mandatory program "to ensure a regular stream of funding and eliminate the practice of 'backfilling' billions of dollars in Pell shortfalls each year;"
- Originate all new loans through the direct lending program;
- Create a "new modernized" Perkins Loan program; and
- Simplify the student aid application process.

### **Taxes**

- Make permanent the \$2,500 American Opportunity Tax Credit, which was created by the Recovery Act and combined and strengthened existing tax incentives for attending college; and
- Further limit the benefits of itemized deductions (including for charitable contributions) for upper-income taxpayers, a provision that could affect charitable giving to colleges and universities.

### **Department of Defense**

The budget document contains no information on funding of basic research at the Department of Defense.

## **FY2009 OMNIBUS APPROPRIATIONS BILL ENACTED**

President Obama signed into law the FY2009 omnibus appropriations bill (P.L. 111-8) on March 11, providing full-year funding for the nine out of 12 FY09 appropriations bills that had not been completed last year. He said he was signing the law despite concerns about its 8,500-plus congressional earmarks. The new measure funds the remaining nine bills through September 30, the end of the fiscal year.

*The SUNY Office of Federal Relations has been in contact with each campus that is slated for an FY09 earmark. If you have any questions about FY09 earmarks, please do not hesitate to contact our office.*

Overall, the \$410-billion bill contains significant funding increases for research and higher education programs. Here are just a few highlights:

#### **National Institutes of Health (NIH)**

The measure funds NIH at \$30.3 billion, a \$938-million or 3.2-percent, increase over the FY08 level.

#### **National Science Foundation (NSF)**

The FY09 omnibus package provides \$6.5 billion for NSF, an increase of \$425 million, or seven percent, over FY08. Included in the total is \$5.2 billion for Research and Related Agencies and \$845 million for Education and Human Resources.

#### **Department of Energy Office of Science**

The Office receives \$4.77 billion, which is \$755 million, or nearly 19 percent, above the FY08 level. Within that total, \$1.57 billion will go to Basic Energy Sciences, which includes \$100 million, the amount contained in the budget request, for the new Energy Frontier Research Centers program. The bill also includes \$15 million for a new Advanced Research Projects Agency, or ARPA-E, at the Department of Energy.

#### **Pell Grants**

Funding for the Pell Grant program will increase to \$17.3 billion, a \$3-billion, or nearly 22-percent, increase over FY08. When combined with the Recovery Act funds and mandatory funds, the total maximum grant for school year 2009-10 will rise to \$5,350.

### **OBAMA ANNOUNCES NEW GUIDELINES FOR EARMARKS**

Last week, the President set forth new principles for earmarks which include a requirement that earmarks "have a legitimate and worthy public purpose," that earmark requests be posted on lawmakers' web sites, and that earmarks to for-profit private companies be subject to competitive bidding. Obama said the administration would evaluate earmarks and seek to eliminate those that have no legitimate public purpose.

House Democratic leaders announced further changes to the earmarking process as well. They said that executive agencies would be given 20 days to review an earmark request after it is made "to ensure that the earmark is eligible to receive funds and meets goals established in law." They also echoed Obama's call to require competitive bidding on earmarks targeted to for-profit companies. The official Pelosi/Hoyer press release can be found here:

<http://www.majorityleader.gov/media/press.cfm?pressReleaseID=2873>

The House and Senate Appropriations panels already announced this year that members would have to post requests on their Web sites. They also announced a plan to limit the growth of earmarks by keeping the amount of funding devoted to the projects to less than 1 percent of overall discretionary spending.

## **OTHER**

### **NSF GRANTS WORKSHOP AT BINGHAMTON A HUGE SUCCESS**

On January 15, over 370 faculty, grants officers, PIs and government relations professionals attended an NSF Grants workshop sponsored by Binghamton University and the Office of Federal Relations. According to George Wilson, Legislative Specialist at NSF, it was the largest event that they have ever held. NSF has made the presentations from this workshop available on Binghamton University's website. They can be found here:

[http://research.binghamton.edu/discover/2009/National\\_Science\\_Foundation\\_NSF\\_Day.shtml](http://research.binghamton.edu/discover/2009/National_Science_Foundation_NSF_Day.shtml)

### **PRESIDENT SIGNS EXECUTIVE ORDER ON STEM CELL RESEARCH**

President Obama on March 9 lifted the ban on using federal funds for research on embryonic stem cell lines created after August, 2001, an action he promised during the Presidential campaign. The new executive order overturns the order issued by President Bush on August 9, 2001, which limited federal research funding to embryonic stem cell lines already in existence on that date. The new order does not lift the congressional ban on the use of federal funds to create new embryonic stem cell lines. That change would require legislation. But it will allow scientists to use federal funding to study the hundreds of new cell lines that have been created since 2001.

## **EXECUTIVE MEMORANDUM AIMS TO PROTECT SCIENTIFIC INTEGRITY IN FEDERAL DECISION MAKING PROCESS**

The President also on March 9 issued a presidential memorandum aimed at protecting science involved in decision making in the executive branch from political influence. The memorandum assigns to the Director of the Office of Science and Technology Policy responsibility for developing a plan designed to “guarantee scientific integrity throughout the executive branch.”

## **INTERIM US DEPARTMENT OF EDUCATION ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION**

Secretary Duncan has appointed a long-time Department employee, Daniel Madzellan, to the post of acting assistant secretary for postsecondary education. Mr. Madzellan has led the Office of Postsecondary Education’s policy analysis section. In his new capacity he will have a lead role in implementing the new rules mandated by the Higher Education Opportunity Act passed last year.

## **NASULGC TO BECOME “ASSOCIATION OF PUBLIC AND LAND-GRANT UNIVERSITIES”**

The Association of Public and Land-grant Universities will replace NASULGC as the name of the association for public and land-grant universities. The change is scheduled to officially occur on Monday, March 30.

## **SENATOR GILLIBRAND APPOINTS EDUCATION STAFFER**

Shari Swaaley has been appointed as the Legislative Assistant for health, education, labor, pensions and aging in the Washington, DC office of Senator Kirsten Gillibrand. Shari can be reached by email at: [shari\\_swaaley@gillibrand.senate.gov](mailto:shari_swaaley@gillibrand.senate.gov).