FY14 Budget

The opening session of the House-Senate budget conference this past week featured mostly posturing over the usual issue of taxes: Democrats calling for closing tax loopholes with Republicans calling it a nonstarter. Several members signaled some willingness to compromise, while nearly all members appeared resigned to discarding a grand bargain deal. Both sides concede the importance of replacing sequestration, but have not agreed upon the plan to do so.

House and Senate Appropriations Chairs sent a letter to the budget conferees urging them to agree on a top line number for FY14 spending no later than December 2 and preferably by Thanksgiving. Appropriators are asking for the decision so they can craft a FY14 omnibus package before the current CR runs out January 15. The letter reflects the increased concern that Congress will enact a year-long CR instead of returning to regular order.

President Obama’s College Affordability Proposal

The U.S. Department of Education (ED) announced new details about its plan to engage stakeholders over the coming months on the President’s College Affordability Plan. ED announced it will host four public forums across the country. The open forums are designed to offer the opportunity to members of the public to provide feedback and input on the Department’s proposals, and to hear the input of others. The four forums will take place:

- November 6th at California State University, Dominguez Hills
- November 13th at George Mason University
- November 15th at the University of Northern Iowa
- November 21st at Louisiana State University

For those unable to attend the forums in person, ideas may be submitted online, by sending an e-mail to collegefeedback@ed.gov. More details can be found at www.ed.gov/college-affordability.

Senate HELP Hearing on HEA

The Senate Committee on Health, Education, Labor and Pensions (HELP) on Thursday held a hearing on Attaining a Quality Degree: Innovations to Improve Student Success. This is their second hearing on reauthorization of the Higher Education Act (HEA). To read remarks and view a webcast of the hearing, see the committee’s website.

Prior to the hearing, SUNY submitted recommendations (attached) highlighting some of the impressive efforts taking place across SUNY and its campuses to increase access, new innovative delivery methods, and promote completion.
The Student and Family Tax Simplification Act

Representatives Diana Black (R-TN) and Danny Davis (D-IL) introduced the Student and Family Tax Simplification Act to simplify and consolidate higher education tax benefits. The bill consolidates the Hope Tax Credit, the Tuition and Fees Deduction, and the Lifetime Learning Credit into the American Opportunity Tax Credit (AOTC), creating a single credit for current educational expenses. The bill extends the AOTC permanently and preserves the value of the credit over time by adjusting for inflation starting in 2018. The new AOTC credit would:

- Provide a 100-percent tax credit for the first $2,000 of eligible higher education expenses and a 25-percent tax credit for the next $2,000 of such expenses (for a maximum credit of $2,500)
- The first $1,500 of the credit would be refundable
- The credit could be used to offset expenses for tuition, fees and course materials
- The credit would begin to phase out for families with incomes between $86,000 and $126,000 (half those amounts for single individuals), ensuring that the credit provides the greatest benefit and value to low- and middle-income families

It is anticipated that any action in the foreseeable future on education tax benefits would be in the context of comprehensive tax reform package.

Reauthorization of America COMPETES Act

Both the Majority and Minority members of the House Science and Technology Committee are working on separate America COMPETES legislation, which sets funding targets for STEM education, research and development budgets for the National Science Foundation (NSF), National Institute of Standards and Technology (NIST), and Department of Energy’s (DOE) Office of Science. The Committee Democrats have released their version of a COMPETES Reauthorization bill available here.

The America Competes Reauthorization Act of 2013 authorizes five percent year over year increases in funding for NSF ($7.6B), DOE Office of Science ($5.2B) and NIST ($947M). The bill also strengthens regional economies through support for regional innovation clusters and manufacturing innovation centers and includes authorization of the Advanced Research Projects Agency-Energy ($379M), Energy Frontier Research Centers, and Energy Innovation Hubs. As part of the proposed STEM-ED consolidation, the bill strengthens the role of the science and mission agencies in guiding and participating in implementation of the plan and ensures stakeholder groups have input into significant decisions regarding implementation.

The Republicans, are set to consider COMPETES reauthorization in two smaller bills (attached). The EINSTEIN America Act prioritizes fundamental science and basic research at DOE Office of Science by providing $4.7B in FY14, a 1.7 percent increase above current levels. The legislation prioritizes transformative energy science activities that drive innovation and long-term economic growth.

The FIRST Act includes reauthorization for the NSF, NIST, OSTP, and STEM education components of COMPETES with a scheduled hearing on November 13. Funding levels have not been released, but priorities will focus on national needs for R&D with proven, high return on investment. The draft bill prohibits NSF and NIST from implementing the reorganization of STEM education-related programs in
order to ensure better stakeholder input. Of concern, is a provision that NSF publicly provides a statement justifying how each funded grant is in the best national interest.

The Senate Committee on Commerce, Science, and Transportation will hold a hearing on November 6, on their version of the America COMPETES Act. The hearing will focus on investing in R&D, STEM education and how these investments drive innovation and the U.S. economy.

**The Science Coalition Sparking Economic Growth 2.0 Report**

The Science Coalition released a report highlighting 100 companies (four from SUNY Campuses) that grew out of the investment of just $330M in federal research funding. The report showcases the various ways federal investments in scientific research leads to new, successful companies that create jobs and spur economic growth.

Federal research and development (R&D) funding has been on a downward trend for the past decade, with funding levels in FY13 at historic lows. The impact of sequestration will bring an additional $95B from federal R&D budgets over this period. This national disinvestment in science will have real consequences as the reports illustrates.