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## Office of Government and Community Relations

### Federal Relations Report

April 2011

#### **"We dodged a bullet."**

--*Michael Lubell, lobbyist for the American Physical Society.*

After seven months and seven short-term funding measures that have kept the federal government running since October 1, Congress passed a long-term continuing resolution that funds the government through September 30, the end of fiscal year 2011.

In general, university priorities fared well in the final bill (HR 1473). Pell Grants maintained their current maximum with no changes to eligibility, and large research agencies received nicks rather than large cuts. One [analysis](#) noted that basic research programs fared better than applied research.

Although the final FY 2011 budget is nowhere near as generous to university priorities as the budget request that President Obama introduced last spring, higher education is definitely a "winner" under the bill, given how sharply the fiscal climate in Washington has shifted in the intervening months. That is especially true when the bill is compared with the original House proposal, HR 1, which offered drastic cuts to Pell, the National Institutes of Health (NIH), agriculture research and education programs, and the National Science Foundation (NSF).

HR 1473 is considered a Continuing Resolution (CR) rather than a true appropriations bill, and as a result, it was not accompanied by explanatory statements or a report that would provide more detailed guidance to agencies. Legislative text will serve as the sole guiding document, which leaves many questions about the level of discretion executive branch departments will have in making decisions. The bill includes a 0.2 percent cut to non-defense domestic accounts, including research, but how those cuts will be implemented across and within departments is not clear, and those cuts are not included in the summary numbers provided below.

#### **Pell proceeds largely as promised**

One area where there is no question about how funds will be spent is the Pell Grant Program. The maximum Pell Grant award is maintained at \$5,550 for the current year, and \$23 billion is appropriated for the program.

The bill did make one change to Pell, which was to eliminate the so-called year-round Pell grant, which most students used to take summer classes toward their degrees (1,500 U of M students used the year-round Pell program in its first year of availability last year).

That elimination foreshadows difficult choices to be made in future budgets, because the cost of Pell has more than doubled due to increased enrollment and broadened eligibility instituted by Congress. The House GOP budget roadmap unveiled by Rep. Paul Ryan (R-WI) proposes to cut Pell Grant maximums back to 2008 levels, thereby wiping out the significant increases passed since then. In the coming months, university advocates will be working with Pell supporters in the Congress and the administration to consider proposals to reduce the cost of Pell while protecting students with the greatest financial need.

#### **Other impacts of the final FY 2011 budget**

Agency	FY2010	H.R. 1 amt. for FY 2011	FY11 agreement (without 0.2% cut to non-defense)	Difference (without 0.2% cut to non-defense)
Dept. of Energy Science	\$ 4.904 billion	\$ 4.018 billion	\$ 4.884 billion	\$ -20 million
National Science Foundation	\$ 6.926 billion	\$ 6.513 billion	\$ 6.873 billion	\$ -53 million
National Institutes of Health	\$ 31.168 billion	\$ 29.23 billion	\$ 30.7 billion	\$ -260 million
USDA National Institute of Food and Agriculture (NIFA)	\$ 1.36 billion	\$ 1.14 billion	\$ 1.231 billion	\$ -128 million
NIFA Extension	\$ 495 million	\$ 453 million	\$ 479 million	\$ -20 million
NIFA Ag. & Food Research.	\$ 262.4 million	\$ 227.8 million	\$ 264.5 million	\$ 2.1 million

The Congressional compromise gives **NSF** an overall budget of \$6.81 billion. The CR cuts NSF overall by \$52 million, or 0.8 percent, from FY 2010 levels. Specifically, compared with FY 2010, the Research and Related Activities Account is cut by \$42 million, for a total funding level of \$5.575 billion. The Education and Human Resources account is cut by \$10 million, to \$862 million. According to news reports, NSF estimates it will make 134 fewer awards and support 1,500 fewer researchers, students, teachers, and technical support personnel than last year.

On the health sciences side, **NIH** will receive \$30.7 billion, or \$260 million below the 2010 level. Although still a real cut and a loss of ground against inflation, when compared with the proposed \$1.6 billion cut in the original House bill, the NIH reduction appears positively sunny. Another victory: the final bill did not stipulate the number of grants or the level of grant funding, as HR 1 had.

The 0.8% cut includes \$210 million spread across all 27 NIH institutes and centers and the director's office, and \$50 million from a buildings account. (Adding a 0.2% across-the-board cut in all non-defense agencies, the total cut will be about \$300 million, according to an official at Association of American Medical Colleges.)

The **Department of Energy** (DOE) Office of Science receives \$4.884 billion, which is \$20 million below FY 2010. This includes the elimination of \$76 million in earmarks. Energy Efficiency and Renewable Energy (EERE) programs receive \$1.835 billion, which is \$408 million below FY 2010, and includes a rescission of \$292 million in earmarks. ARPA-E, a favorite of the president and of Energy Secretary Steven Chu, will receive \$180 million, \$130 more than the House measure had proposed, allowing the new entity to fund four planned solicitations next year and keep staff on board. (The program was funded from one-time stimulus funds, but not included in the FY 2010 budget.)

**US Department of Agriculture** (USDA) research and education funds had been cut significantly under the original House proposal, but will end the year with a much better result. Under the National Institute for Food and Agriculture, which was cut by \$128 million, to \$1.3 billion overall, extension funds will be cut by \$20 million, to \$479 million. And Agriculture and Food Research Initiative actually received a \$2.1 million increase, to \$265 million.

Other agencies and programs will see the following changes:

- The **National Endowment for the Humanities** (NEH) was reduced by \$13 million from last year's levels, to \$132 million.
- The **Department of Homeland Security** (DHS) Science and Technology programs were cut by \$175 million compared with FY 2010 levels, although language was included to limit reductions to funding for university programs to no more than 20 percent.
- At the **Department of Education**, the CR funds Javits Graduate Fellowship Program at \$8.1 million, a \$1.6 million cut. Supplemental Education Opportunity Grants (SEOG), TRIO, and GEAR UP will see reductions of \$20 million (for a total of \$736 million), \$25 million (\$826.4 million), and \$20 million (\$302.6 million), respectively. The Leveraging Educational Assistance

Program (LEAP) is eliminated. The cuts to Title VI international programs remain unclear. The text of the CR reflects a 0.2 percent across-the-board reduction, cutting funding to \$125.6 million (a reduction of \$251,762). But House staff have stated that the programs are cut an additional \$50.3 million (40 percent) on top of the 0.2 percent reduction.

- The bill appropriates \$18.5 billion for **NASA** and fully funds the newly authorized exploration program. The Science Mission Directorate is funded at \$4.945 billion. NASA Aeronautics is funded at \$535 million, \$38 million more than FY2010 levels. NASA Education is funded at \$145 million, a cut of \$38 million compared to FY2010.
- **Department of Defense** 6.1 basic research would be funded largely at the Pentagon's FY11 request level. For FY11, overall 6.1 basic research would be funded at approximately \$1.95 billion, which is about a \$130 million or seven-percent increase over FY10.

### **And onto FY 2012, and beyond**

Before the president had signed HR 1473, the House of Representatives was already onto considering its budget resolution for FY 2012, one of the early steps in the Congressional appropriations process. The FY 2012 appropriations process should theoretically yield a complete federal budget before the FY 2012 begins on October 1, 2011, although Congress has rarely finished a budget on time over the last decade.

A week before, House Budget chairman Paul Ryan released his [long-term budget plan](#) to cut \$5.8 trillion in federal spending over a decade, and the budget resolution was a reflection of that larger roadmap to reduce federal deficit spending. In general, Chair Ryan seeks to return domestic discretionary spending to their FY 2008 levels and freeze those amounts for five years. For research and education programs, that would mean significant cuts, ones equal to or greater than the ones proposed in the House's earlier proposal for this year, HR 1.

This week, President Obama [countered](#) the Ryan roadmap with his own long-term deficit reduction plan to cut the federal deficit by \$4 trillion over 12 years. He also announced that Vice President Joe Biden would begin meeting with 16 members of Congress in May and June to find a consensus that reflected his ideas and build in a "fail-safe" mechanism to force cuts when Congress was unable to act. (The administration's [FY 2012 budget request](#), which would freeze domestic spending levels overall while still providing increases for research and education programs of interest to the U of M, was released in February.)

Although the president did not mention it, it is clear that his words and the planned meetings with Congress were also aimed at avoiding a breakdown over raising the federal debt ceiling limit, which will need to be done in the next few months to avoid a U.S. default on government debt. Fiscal conservatives, including many of the House GOP freshmen who were elected last fall, have vowed to make the debt ceiling the next point of pressure on federal spending, in order to extract more spending cuts from the federal government.

### **On campus and on the Hill**

On January 22, Sen. Amy Klobuchar visited the Swenson Science Building at UMD as part of her innovation tour. Senator Al Franken also visited the campus in January.

In late February, Senator Franken was on the West Bank as part of a roundtable on science, technology, engineering and math education organized in part by the Center for Science, Technology and Public Policy.

Shaun Kennedy and Amy Kircher from the National Center for Food Protection and Defense, along with other Homeland Security Centers of Excellence, visited key committees on Capitol Hill as well as members of the MN delegation to discuss current programs and future funding.

Deb Swackhamer, chair of EPA's Science Advisory Board, testified before the House Science Committee on FY12 priorities for the Environmental Protection Agency (EPA). As President of the National Institutes of Water Resources, Deb submitted testimony to the House Appropriations Committee. In House Appropriations Subcommittee on Interior hearings on the EPA and US Geological Service, Rep. McCollum referred to the good work of MN's Water Resources Center, especially the Water Framework.

Ambassador William Garvelink of the US Agency for International Development visited the Twin Cities campus on March 31 and met with University researchers and administrators involved with environmental, food and educational issues related to international development.

Dean Trevor Ames made Capitol Hill visits as part of a meeting of the American Veterinary Medicine Association.

Rep. Betty McCollum visited Boynton Health Service on the East Bank to discuss issues around student healthcare. She also met with Dean John Finnegan and Diana Harvey (School of Public Health) to discuss FY12 funding issues as well as emerging public health issues.

On March 27, Terrance Paape, Abdul Omari, and Matt McGeachy, who are members of SAGE, a graduate student leadership group from research universities, visited the Hill to share graduate student perspectives with lawmakers and their staff.

On April 6 and 7, UMN undergraduate leaders Tyler Dirks, Joseph Francaviglia, Nicholas Saab, Christopher Tastad, and William Ische participated in a White House roundtable and met with members of Minnesota's Congressional delegation to articulate student priorities as part of a Big Ten Students on the Hill event.

On April 6, Extension staff including participated in the Public Issues Leadership Development (PILD) conference and made Hill visits to highlight Extension's work in the community. On March 2, delegates from the Extension Council for Agricultural Research, Extension, and Teaching (CARET) also visited Minnesota congressional offices.

### **Articles of Interest**

[Obama announces framework for cutting deficit by \\$4 trillion over 12 years](#)

Washington Post

April 14, 2011

[House OKs Budget Compromise By A Wide Margin](#)

NPR

April 14, 2011

['Biggest cuts in U.S. history'? Well, no.](#)

Washington Post

April 14, 2011

[NSF Gets 1% Trim in 2011, but New Budget Battle Looms](#)

Science Magazine

April 14, 2011

[Budget Battle Leaves Applied Energy Research Relatively Unscathed](#)

Science Magazine

April 14, 2011

[Obama speech frames a 2012 choice for the country](#)

Washington Post

April 13, 2011

[News: Maximum Pell Safe For Now](#)

Inside Higher Ed

April 13, 2011

[Obama '12 strategy: Deal and get results](#)

The Hill

April 13, 2011

[University of Minnesota President Bruininks reacts to federal budget bill](#)

UMN News

April 13, 2011

[2011 Spending Deal Spares NIH Major Cuts](#)

Science Magazine

April 12, 2011

Once More, Into the Breach –Charlie Cook  
National Journal  
April 12, 2011

Budget Cutting Ain't Easy  
National Journal  
April 12, 2011

Chancellor's view: Pell grants are a priority for nation's future  
Duluth News Tribune  
April 9, 2011

Boehner Tries to Serve Two Masters in Budget Deal  
New York Times  
March 23, 2011

NIH Scientists Warming to New Translational Center - ScienceInsider  
Science Magazine  
March 15, 2011



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