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Federal Relations Report

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"Yesterday was Mike Enzi's birthday. Today is John Cornyn's birthday. I could offer a resolution commending them, but I don't know that I'd get 60 votes."

-- Sen. **Tom Carper**, D-Del., at a February 2 Senate Finance hearing on President Obama's budget.

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Although Democrats still enjoy control of the White House and significant majorities in Congress, thanks to the election of Sen. Scott Brown in Massachusetts, they are now at 59 votes in the Senate, leaving them vulnerable to GOP filibuster on all but a few narrow types of legislation. Depending on which pundit you choose to believe, this is either the dawn of a new era of forced bipartisanship, where President Obama will tack to meet the concerns of GOP lawmakers in order to move his priorities forward, or this is a recipe for making Washington even more gridlocked.

Unfortunately, the latter view is far more widely held, and anguished Democratic lawmakers roam the Capitol's halls these days [Hamlet-style](#), ruminating about whether health care reform is to be or not to be.

Which brings up another issue: parties interested in any legislation other than health care have been told that Congress would deal with their issues once health care passed. Now that health care reform is in doubt, so too are all other major pieces of legislation, among them a financial aid bill called the Student Aid and Fiscal Responsibility Act (SAFRA), a jobs bill, a patent reform bill and a bill to combat climate change.

Into this grim reality has floated some good news for higher education. President Obama's FY 2011 budget, the starting point for Congress's eventual passage of appropriations bills, imposes a freeze on overall domestic discretionary spending, but includes increases for many of the categories important to higher education, including student aid and research. Lawmakers are also slated to take up a jobs bill that would potentially provide aid to states to blunt further state budget cuts to public education, including higher education systems.

Obama budget is kind to higher education and research

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On February 1, the Obama Administration kicked off the congressional appropriations process by releasing its budget for FY 2011, which runs Oct 1, 2010, to September 30, 2011. The budget document serves as an initial template for the House and Senate appropriations committees' deliberations over how to apportion the federal pie.

The Obama administration imposed a net freeze on most categories of domestic discretionary spending, but within that category there was [The Education Exception](#) education and research agencies were mostly warmed up in this frozen landscape. A list of budget categories of interest to the University community is available [here](#). That list also includes the final appropriations amounts for FY 2010, which Congress completed in December.

The president's budget proposes to increase federal education spending by 6 percent, including a Pell Grant increase of 29 percent, raising the maximum Pell Grant to \$5,710 from the current \$5,550. The budget would make Pell Grant funding an entitlement and index the maximum award to a rate slightly above consumer price index inflation. (The budget is mum on how to make up a projected \$18 billion shortfall in Pell for the coming year.)

In addition, the administration seeks to ease the burden of federal student loan repayments by reducing the required monthly loan repayments to 10 percent of a student's discretionary income (down from 15 percent) and by allowing remaining debt to be forgiven after 20 years (down from 25 years). These education improvements are premised on the passage of the Student Aid and Fiscal Responsibility Act (SAFRA), which has passed the House of Representatives but faces tougher sledding in the Senate. (It was one of the bills scheduled to be taken up after health care reform.) SAFRA would move all federal student loans into the Direct Loan program, and divert funds now subsidizing banks that make student loans to Pell Grants and other P-12 priorities.

For research and development projects outside of defense, the president seeks a total of \$66 billion for FY 2011. NIH would receive its largest annual increase to its base in eight years, a 3.2 percent, \$1 billion increase to \$32.1 billion. (The nearly \$10 billion increase provided by the American Recovery and Reinvestment Act last year was not added to the NIH base.) The request highlights NIH Director Francis Collins's five scientific opportunity priorities: innovative high throughput technologies, translational medicine, health care reform, global health, and biomedical research.

The request proposes to fund 9,052 competing research project grants (a decrease of nearly 200 below the FY 2010 estimated level).

The National Science Foundation would also see a healthy 8 percent, \$552 million increase to \$7.42 billion, an increase in line with President Obama's aspiration to double research funding for Department of Energy's Office of Science, and the National Institute of Standards and Technology. Notably, NSF's Major Research Equipment & Facilities Construction

(MREFC) request is for \$165 million, a 40.8 percent increase over FY 2010, and the Graduate Research Fellowship (GRF) program would receive a 16 percent increase to \$158.2 million. The GRF program continues on its path to increase the number of new awards made each year to 3,000 by FY 2013.

Under the Department of Agriculture budget, the National Institute of Food and Agriculture (NIFA) would be funded at \$1,358 billion, essentially the same level as FY 2010. However, the department's competitive research program, the Agriculture and Food Research Initiative, would be boosted a whopping 63 percent over FY 2010 to \$429 million.

The Administration requested \$5.121 billion for the DOE Office of Science, an increase of \$218 million, or 4.4 percent, above the enacted (non-ARRA) FY 2010 level. Outside the Office of Science, the new ARPA-E would receive \$273.4 million to support innovative energy research. Sec. Chu's Energy Innovation Hubs program would receive \$107 million.

Under the Department of Defense (DoD), the administration requested \$2 billion for Basic Research (6.1) programs, a 6.5 percent increase over FY 2010. Another \$3.1 billion was requested for the Defense Advanced Research Projects Agency (DARPA), up from \$2.99 billion in FY 2010.

All 2,450 pages of the administration's budget for FY 2011 are available [here](#).

Jobs bill could provide more relief against state budget cuts

Before the holidays, the House of Representatives passed the Jobs for Main Street Act (HR 2847). Included in the bill was \$23 billion for an "Education Jobs Fund" for governors to allocate between elementary, secondary, and public higher education institutions. The funds are directed to protect existing jobs, create new jobs within educational institutions, and create jobs for the modernization, renovation and repair of education facilities. An additional \$300 million is directed toward College Work Study.

The Senate had plans to take up its version of a jobs bill until [Snowpocalypse 2010](#) hit the capital. On February 11, Senate Finance Committee leaders Max Baucus (D-MT) and Charles Grassley (R-IA) released a draft jobs bill that included some tax provisions of interest to colleges and students, but no equivalent relief for state education programs or funding for work study à la the House.

On Campus and on the Hill

Senator Amy Klobuchar keynoted the Regional Competitiveness and Energy Efficiency Summit at the Carlson School of Management on Thursday, Jan. 14, 2010. The summit was co-sponsored by the Center for Science, Technology and Public Policy and by the Center for Integrative Leadership, a center jointly operated by Carlson and Humphrey. The summit featured product and programs available to citizens and businesses to increase competitiveness and highlighted

organizations and businesses at the vanguard of energy efficiency and innovation.

U.S. Transportation Secretary Ray LaHood joined Congressman Jim Oberstar, chairman of the House Transportation and Infrastructure Committee, at the Humphrey Institute of on January 25 for the second stop of a nationwide listening tour on transportation policy. Secretary LaHood and Congressman Oberstar, along with USDOT administrators, Senator Amy Klobuchar, Congressman Keith Ellison, Congresswoman Betty McCollum, and several local transportation leaders led a town hall-style meeting to solicit views on ways to improve transportation programs as federal lawmakers craft the next big surface transportation bill.

Lowell Rasmussen, vice chancellor for operation at the Morris campus, spent time in Washington and made hill visit to our members of Congress regarding renewable energy projects at Morris.

In January, Professor Craig Packer and Kari Hartwig of the Whole Village Project (WVP) met with key congressional and agency staff to highlight the work of the project. WVP is a multidisciplinary effort that to evaluate the effectiveness of foreign aid projects in sub-Saharan Africa.

Shaun Kennedy, director of the National Center for Food Protection and Defense (NCFPD), conducted hill visits with members of congress regarding food safety. He also briefed the White House's National Security Staff on food safety, and food-system defense and protection.

Trevor Ames, dean of the College of Veterinary Medicine met with congressional staff to discuss a joint Minnesota-Michigan State University project to study and combat Bovine Tuberculosis.

Kristen McMaster, associate professor in the Department of Educational Psychology was in Washington for the annual Higher Education Consortium for Special Education (HECSE) summit. The University of Minnesota is a member of this group, which represents the institutions that train leaders in special education. Kristen briefed the Minnesota delegation on the summit, on higher education funding, special education legislation, and education funding and NCLB language.

Tom Schmidt, director of student collections attended the annual meeting of the Coalition of Higher Education Assistance Organization (COHEAO) in Washington. Tom and his colleague Larry Rock from Concordia College in Moorhead briefed members of the delegation and their staff members on these issues. They also had the opportunity to meet with Senator Byron Dorgan (D-ND) regarding these issues and to congratulate him on his son's recent graduation from the U of M.

Articles of interest

[Education secretary pushes to revise student loan practices](#)

By Nick Anderson for the Washington Post

[Two Parties Join Together, Then Resume Divided Ways](#)

Helene Cooper and Carl Hulse for the New York Times

[Obama's 2011 Budget Proposal: How It's Spent](#)

Shan Carter and Amanda Cox for the New York Times

[House Democrats Frustrated by Senate's Lack of Action](#)

By Billy House from CongressDaily

[House Set to Take up Debt Limit, Pay/Go Measure Today](#)

By Humberto Sanchez from CongressDaily

[Senators Zero in on \\$81B in Short-Term Stimulus Measure](#)

By Peter Cohn in CongressDaily

[Health-care reform: The Zombie Hypothesis](#)

The Economist

[Milbank: Why Republican Victories Could Help Obama](#)

Dana Milbank for the Washington Post

[Industry Lobbying Imperils Overhaul of Student Loans](#)

By Eric Lichtblau for the New York Times

[Must-Pass Nature of Jobs Bill Attracts Unrelated Riders](#)

By Peter Cohn for CongressDaily

[Republican Lawmaker's Budget Plan Gets Obama's Attention](#)

By Perry Bacon Jr. for the Washington Post

[House Votes to Revive Pay-As-You-Go Budget Rules](#)

By Lori Montgomery for the Washington Post

[Fixing the filibuster problem: What Mondale Would Do](#)

Eric Black for Minnpost

[Baucus, Grassley Unveil Tax Incentive Plan](#)

Peter Cohn for CongressDaily

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