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## Office of Government and Community Relations

### January 2011

#### **"We are not doomed to endless gridlock."**

-- President Obama, in the New York Times, after he called out the lame-duck session of Congress as the "most productive postelection period that we have had in decades."

After an eventful election this fall, President Obama was able to dislodge a number of his priorities that had gotten stuck in the thickets of the Capitol, shepherding through the repeal of the military's Don't-Ask, Don't-Tell policy as well as an arms reduction treaty with Russia. Research universities like the University of Minnesota saw a number of desired outcomes during the lame-duck session, including renewal of the America COMPETES Act, which authorizes (but does not appropriate) funding levels for the National Science Foundation (NSF) and the Department of Energy Office of Science (DOE-Science), reauthorization of tax credits for students, and a fix for the Pell Grant program's funding shortfall.

Still, a significant amount of the 111th Congress's business has been kicked to the 112th. Senate Republicans were unwilling to allow a vote on an omnibus bill to fund the government for FY 2011, which began October 1 of last year, or on a long-term Continuing Resolution (CR), which would have funded the government at FY 2010 levels until September 30, 2011, the end of FY 2011. In the end, Congress agreed to a short-term CR that basically flat funds the government at the previous year's levels until March 4, leaving the door open for yet another fight over FY 2011 funding levels in February, a time when Congress should be starting deliberations over funding for FY 2012.

In short, President Obama may be right about Washington not being doomed to endless gridlock, but it is clear that significant traffic delays loom a short-distance ahead.

#### **A Continuing Resolution that does not continue for very long**

For those reliant on federal research funding, the short-term Continuing Resolution was the least preferred of the three funding bills considered by the lame-duck Congress. The omnibus bill would have given modest boosts to science accounts, and the long-term CR, although it flat funded science accounts, would have given a longer period of certainty to research agencies as they plan for current and future grant funding.

On the positive side, the short-term CR will maintain Pell Grant funding at the FY 2010 levels, and it eliminates the looming, multi-billion dollar shortfall facing the program, which could have forced a cut of nearly one-third or \$1,840 to the maximum Pell grant amount of \$5,550.

The short-term extension means that the new Congress, which will be more fiscally conservative, will be able to weigh in again on FY 2011 funding levels and program priorities. Many House Republicans ran on returning most domestic federal spending to FY 2008 levels, although in recent days GOP leaders have backed off a goal of cutting \$100 billion or 20 percent from those spending categories in FY 2011 to a goal of \$50 billion or \$60 billion in cuts. As a result, we will likely see efforts to seek rescissions, other targeted cuts, and/or across-the-board funding reductions for the

remainder of the fiscal year.

According to an analysis by the American Association for the Advancement of Science, if federal spending is trimmed back to FY 2008 levels, federal research and development funding would drop by \$8.1 billion, or 5.5 percent compared with FY 2010, with agencies such as NSF and DOE-Science receiving cuts of 11 percent and 15 percent, respectively.

Many of these possible rescission efforts, especially as they relate to research and financial aid funding, would be opposed by the Democratic majority in the Senate and President Obama, but the House GOP may be able to extract significant early concessions through the budget rules it passes, and at key moments such as when the remainder of the FY 2011 budget is considered and when the national debt ceiling needs to be raised.

### **FY 2012 budget request moved back**

As for next year's budget, the Obama administration has signaled that it will delay release of his FY 2012 budget request until the middle of February, about a week later than usual due in part to the long time it took for the Senate to confirm Jack Lew as the new director of the Office of Management and Budget.

As federal deficit levels continue to climb, spiking this year to nearly 10 percent of Gross Domestic Product, and with the GOP takeover of the House, the administration remains under pressure to reduce spending in the midst of a limping economy that can use all the spending it can get. The Obama administration, in preparation for the FY 2012 budget, has asked all non-security federal agencies to model a 5 percent cut. That may indicate a less rosy proposal than last year's President's Budget Request, which froze domestic funding overall but provided increases for research and financial aid categories.

### **Congress reauthorizes America COMPETES Act**

In one of the last votes of the lame-duck session, the House on December 21 voted final approval of the America COMPETES Act (H.R. 5116), sending the measure to the President for signature. The bill authorizes year-to-year funding increases at several key science, technology, and education agencies, including NSF and DOE-Science, over three years at a level of \$45.2 billion. The bill was slimmed down from an earlier version's five-year timeline and \$85.6 billion funding levels.

The bill reaffirms the 10-year budget-doubling track of NSF, DOE-Science, and the National Institute of Standards and Technology (NIST), and includes specific authorization for the DOE Advanced Research Projects Agency-Energy (ARPA-E). As an authorization bill, COMPETES lays out a proposed funding path for the programs it encompasses, but the funding levels will have to be appropriated each year. Supporters, including university and industry interests, will have to sustain their arguments about the country's economic competitiveness in the current difficult fiscal environment.

Only 16 GOP members voted for the bill, compared with the 143 GOP members who voted for the 2007 COMPETES Act. Add to that incoming House Majority Leader Eric Cantor's YouCut [website](#), which encourages the public to take a fine-tooth comb to agency budgets such as those at NSF to find frivolous projects, and the announcement by the new chair of the House Science and Technology Committee, Ralph Hall, that he will spend committee time looking for wasteful spending, there are signs that the incoming House majority will be more reluctant than previous majorities to spend scarce federal dollars on research programs. While COMPETES's passage was a welcome development among university advocates, it is clear that colleges, universities, and the associations that represent them have their work cut out for them in the 112th Congress.

## **Other news from the lame-duck session:**

- Congress passed the first major overhaul of food safety laws since the 1930s. Within the bill was language inserted by Sen. Amy Klobuchar to authorize Food Safety Integrated Centers of Excellence based on the collaboration between the University of Minnesota's School of Public Health, the Minnesota Department of Health, and the Minnesota Department of Agriculture.
- On December 17, President Obama signed a tax bill that extended for two years a slate of tax breaks that will benefit university students and higher education institutions. Tucked into the much-discussed bill was a tuition tax credit worth up to \$2,500, a student-loan interest deduction worth up to \$2,500, a continued exemption for contributions for college savings accounts, and an exemption that allows employers to provide up to \$5,250 in tax-free tuition benefits to their workers. Also extended were tax credits for companies that fund research at universities, and an expired provision that allows certain Individual Retirement Account funds to be rolled into tax-free charitable gifts was revived.
- Although the House passed the bill earlier in December, the Senate failed to garner the needed 60 votes to end debate on the Development, Relief and Education for Alien Minors (DREAM) Act. The final vote was 55–41. The measure, a version of which was first introduced in 2001, would provide a legal pathway for young adults brought to the United States as children who have completed two years of either college or military service. Last year, President Bruininks joined eight other leaders of major public universities in signing a letter supporting the DREAM Act.

## **On Campus and on the Hill**

Staff from Sen. Klobuchar's and Franken's offices and Rep. Ellison's office took part in a Technology Commercialization/Economic Development Briefing on campus on September 2.

Chancellor Stephen Lehmkuhle and Assistant Vice Chancellor Jay Hesley from the University of Minnesota, Rochester met with U.S. Education Department officials and Minnesota congressional delegation staff in mid-September.

Senator Amy Klobuchar and several of her staff visited the U of M Bee Lab on October 10 to learn more about the lab's work on colony collapse.

Representative Collin Peterson addressed the Water Resources Center's annual conference on October 19.

On November 22, Reps. Betty McCollum and Keith Ellison spoke at "Global Health and Food Security: Minnesota's Role in Global Development," an event co-hosted by the Humphrey Institute.

## **Articles of interest**

[After losing House, Democrats will try new strategy: bipartisanship](#)  
Washington Post, January 5, 2010

[Funding uncertain for US food safety overhaul](#)  
Los Angeles Times, January 4, 2010

[US science faces big chill: Spending cuts and political battles loom on the horizon.](#)  
Nature News, January 4, 2011

[Budget hawks' load lightened](#)  
Politico, January 4, 2011

Congress Targets Spending: Republicans, Poised to Take Control of the House, Put Budget in Cross Hairs

Wall Street Journal, January 3, 2011

Rev the scientific engine

Column by George F. Will, Washington Post, January 2, 2011

Next Congress unlikely to pass DREAM Act, Republicans say

Washington Post, December 24, 2010

Picking on Social Science

Inside Higher Education, December 21, 2010

Senate Blocks Bill for Young Illegal Immigrants

New York Times, December 18, 2010

Tax Bill With Benefits for Colleges and Students Heads to President's Desk

Chronicle of Higher Education, December 18, 2010

New Republicans Could Revise Party Line on Research Funding

Science, November 26, 2010

Election projections for science investments: Climate science especially may feel the heat

Science News, November 3, 2010

To receive this report in another format, or to be added to its distribution list please contact Bill Otto, at [billotto@umn.edu](mailto:billotto@umn.edu).



Channing Riggs  
Director, Federal Relations  
University of Minnesota  
612-624-8520  
[riggs035@umn.edu](mailto:riggs035@umn.edu)



Dan Gilchrist  
Coordinator, Federal Relations  
University of Minnesota  
612-624-3304  
[dang@umn.edu](mailto:dang@umn.edu)