

MARCH 2008

'09 FEDERAL BUDGET UNVEILED – A MIXED BAG

President Bush sent Congress his FY '09 proposed budget on February 4th. As is typically the case, there were some good proposals and some not-so-good. This begins the yearlong process of creating a budget and ultimately funding the federal government for the next fiscal year.

On the plus side, the President renewed his call to Congress to fund the American Competitiveness Initiative, which calls for significant funding increases for physical science agencies, including the National Science Foundation, the Department of Energy's Office of Science and the National Institute for Standards and Technology. The budget also calls for increases in basic funding for the Department of Defense, a key funder of engineering research. It also calls for an increase for Pell grants for needy students.

However, the document held the National Institutes of Health budget flat again, a trend that is causing disruptions in attracting and keeping researchers in health sciences.

Both the House and Senate Budget Committees have approved their budget resolutions which will now to their respective floors for consideration. The White House has indicated it will oppose any resolution that calls for major increases in spending.

U-M CFO SLOTTOW EXPLAINS ENDOWMENTS TO SENATE STAFFERS

At the request of the Senate Finance Committee staff, U-M Chief Financial Officer Tim Slottow participated as part of a higher education panel to discuss financial aid, college costs, and endowment-related issues. He was joined by John Walda, president of NACUBO; Marie Mons, Director of Financial Planning and Services at Georgia Tech; and James Hille, chief investment officer from Texas Christian University.

Slottow specifically addressed college costs, the complexity of the cost requirements of a large, public, multi-disciplinary, research university and the role of the endowment in funding annual costs.

HOUSE PASSES HIGHER EDUCATION RE-AUTHORIZATION BILL

On February 7, the House approved its version of the Higher Education Act reauthorization bill. The legislation contains some positive provisions relating to financial aid programs but also several provisions of concern, including an increased regulatory burden imposed by more than 200 potential new reporting requirements.

House and Senate staffers have been meeting to reconcile their different versions of the bill. We will be working with staff to keep the positive changes in and work to eliminate

or modify the negative provisions that are included in either the House or Senate bills. For more details contact Cindy Bank at bankc@umich.edu.

NEGOTIATIONS CONTINUE ON PATENT REFORM LEGISLATION

Efforts continue at the Senate Judiciary Committee to resolve a number of concerns that U-M and other universities have with pending patent reform legislation.

The bill would make major changes in U.S. patent law for the first time in 50 years. While universities support a number of the proposals, there are serious concerns with other portions of the bill. Among the most contentious issues are how damages for patent infringement should be calculated, how much research patent applicants must do prior to filing for a patent, and for how long a patent, once granted, can be challenged afterward.

U-M creates dozens of patents each year and attempts to license them to entrepreneurs and others in order to create new industries and products. Having patent certainty is key to maintaining the flow of technology transfer that has revolutionized the American economy since World War II. For more information, contact Mike Waring at mwaring@umich.edu.

U-M CONGRESSIONAL BREAKFAST A SUCCESS

Over 300 alumni, members of Congress and staff, Michigan corporate supporters and other friends of the University attended the annual University of Michigan Congressional Breakfast on March 5th in Washington.

Rep. Mike Rogers (R-Brighton) was the keynote speaker, with U-M Provost Teresa Sullivan pinch-hitting for President Mary Sue Coleman, who was out of the country. The event celebrates the University's role in education and research in front of a Washington audience.

In addition, the breakfast helped raise nearly \$40,000 for scholarships to DC area students who attend the University, and was co-sponsored by U-M and the U-M Club of Greater Washington.

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