

FEDERAL REPORT

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CONGRESS ENACTS MAJOR ECONOMIC STIMULUS PACKAGE, FINISHES FY '09 APPROPRIATIONS

With the full support of President Obama, Congress passed major economic stimulus legislation in mid-February that is designed to revive the staggering economy, create jobs and prepare the nation for economic recovery.

The legislation will increase student aid, provide billions in new research dollars and also attempts to support state budgets at a time when they are facing severe shortfalls.

Specifically, the bill provides for a \$500 increase in the Pell grant maximum, a new \$2500 education tax credit, \$200 million more for work-study programs and \$100 million for teacher enhancement grants. The bill also includes additional funding for Health Professions Training Program and Nursing Workforce Development Programs.

For research, the legislation will provide \$10.4 billion in additional support for the National Institutes of Health, \$3 billion for the National Science Foundation, \$2 billion for basic research sponsored by the Department of Energy (including \$400 million for the new Advanced Research Project-Energy, or ARPA-E, that will support cutting-edge, high-risk energy research), as well as additional funds for research supported by the National Institute of Standards and Technology, the National Oceanic and Atmospheric Administration and NASA. All of this funding will be distributed based on peer review.

To support state budgets, the recovery package provides \$53.6 billion. Of that amount, \$39.5 billion would be sent to states explicitly for K-12 and public higher education. The Governor will determine the specific allocation of these funds. The funds specifically are to be used to “back-fill” state budget cuts and may be used for operating expenses and facility modernization.

Following the stimulus being signed into law, Congress passed omnibus FY '09 appropriations legislation that will provide funding for many of these same programs for the remainder of the fiscal year. Included in that legislation is:

- National Institutes of Health (NIH): \$30.317 billion, an increase of \$937.7 million over FY08.
- National Science Foundation (NSF): \$6.5 billion, \$363 million above FY0808.
- Department of Energy (DOE) Office of Science: \$4.8 billion, \$755 million above FY08.

- National Aeronautics and Space Administration (NASA): \$17.8 billion, \$385 million above FY08.
- National Institute of Standards and Technology Research (NIST): \$819 million, \$63.1 million above FY08.
- National Oceanic and Atmospheric Administration (NOAA): \$4.4 billion, \$468.7 million above FY08.

For financial aid, the bill offers increased funding for many financial aid programs – Pell Grants, SEOG, GEAR UP, and Perkins Loan Cancellations. It also includes increases for the graduate-level Javits Fellowships and GAANN programs, and for international education programs.

The omnibus also includes language that will fix an error made in the Deficit Reduction Act of 2005. The new law will allow drug manufacturers to once again offer nominally-priced prescription drugs to university-based health and family-planning clinics.

PATENT REFORM LEGISLATION RE-INTRODUCED

Legislation to make the first major changes in American patent law in 50 years has been introduced in both the House and Senate.

House Judiciary Committee Chairman John Conyers (D-MI) and Senator Judiciary Committee Chairman Pat Leahy (D-VT) introduced companion bills on March 3. The bills mark the third consecutive Congress when lawmakers have considered such legislation.

The legislation as introduced is similar to bills each house worked on last Congress. The key issues for universities involve what limitations (if any) should be placed on damage awards for patent infringement, how post-grant challenges to patents will be handled and whether fees paid to the Patent and Trademark Office will stay with that agency or be placed in the general fund. U-M will be active in working to ensure any legislation does not have an adverse effect on technology transfer.

U-M CONGRESSIONAL BREAKFAST SLATED FOR MARCH 26

The annual University of Michigan Congressional Breakfast will be a highlight of the spring activities for the University in DC.

The event will be held March 26. Rep. John Conyers will be the keynote speaker this year, with U-M President Mary Sue Coleman and Alumni Association President Steve Grafton also speaking. A number of campus officials will be on hand for the event, which raises scholarship funds for the U-N Alumni Club of Greater Washington.

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