Rackham Student Government
Board Meeting: June 7, 2012
Agenda

I. Call To Order

II. Approval of Agenda

III. Approval of Previous Minutes * (p. 2)

IV. Officer Reports
   a. Graduate Student Body President, Michael
   b. Graduate Student Body Vice President, Kaitlin
   c. Graduate Student Body Treasurer, Alex

V. Executive Order 12-03: Events Director (p. 15)

VI. Committee Updates
   a. Academic Affairs * (p. 5)
   b. Community Outreach & Social Action * (p. 9)
   c. Legislative Affairs * (p. 11)
   d. Student Life Committee * (p. 13)
   e. Bylaw Review Committee

VII. SAGE Fall Summit Visioning (p. 53)

VIII. Bylaw Visioning. Where is RSG in 5 years?

IX. Funding Requests Procedure (p. 18)

X. Open Discussion

XI. Adjournment

* - Item included in packet
** - Item will be provided on Day of Meeting or at Meeting
*** - Item was included in a previous packet
RACKHAM STUDENT GOVERNMENT
BOARD MEETING
5/24/12
RACKHAM GRADUATE BUILDING
2ND FLOOR WEST CONFERENCE ROOM, NORTH ALCOVE
6:30 P.M.

I. CALL TO ORDER: 6:36pm
   a. Present: Representatives: Chris Tom, Matt Waugh, Brandon Erickson, Eli Benchell Eisman, President Benson, Vice President Flynn, Treasurer Toulouse, Anna Belak, Haven Allen, Evan Arthur, Bernardo Orvananos, Andrew Crawford, Dan Trubman, Matthew Filter, Pete McGrath
   b. Absent: Dan Trubman, Ben Curtiss-Lusher, Vanessa Cruz, Heidi Pedini, Lauren Knapp, Anna Wagner
   c. Excused:

II. APPROVAL OF THE AGENDA
   a. Motion by Chris, seconded by Eli. Approved unanimously.

III. APPROVAL OF THE PREVIOUS MINUTES
   a. Motion by Alex T. and seconded by Chris. Approved.

IV. Community Input: Eugene Deshanvar. Eugene would like to address the board on issues of intellectual property, the minutes from the Academic Affairs Committee meeting on February 1 2012, and an update on his accountability. Eugene invites everyone to check out his story on his website. Regarding the minutes, Eugene says that he feels very sensitive to any administrative pushback and was concerned when RSG was delayed in posting the minutes. Eugene has also recently heard from the OTT and Ken Nesbit and he believes Ken is part of the problem as he is overseeing Eugene’s situation. The summary email that Ken sent (and also CCed important administrators and Reagents on) implies “a false conclusion based on erroneous information” as a summary of Eugene’s issues (his words in quotes). Eugene feels that they have “intentionally skewed the issues in order to consider them resolved.” Eugene feels that the system is broken and has no oversight, and this puts him in a position in which he is forced to make a decision to either escalate the issue or let it lie. Eugene is interested in taking the issue forward and arguing ‘undisputable facts’.

V. OFFICER REPORTS
   a. President Michael Benson. Office hours will be posted online and sent out in the newsletter. Michael encourages board members to split up office hours. RSG has been contacted by residents in Northwood because playground equipment has been removed and Michael has checked into it and replacements are coming.
Contact Kaitlin about the Bylaw review committee. Michael will also be making speeches to incoming students soon as the summer orientations get started.

b. **Vice President Kaitlin Flynn.** Kaitlin has been helping Michael with the planning for the SAGE fall summit. Additionally Kaitlin will be holding a committee chair meeting next week with the aim of making committees more efficient.

c. **Treasurer Alex Toulouse.** Budget for Spring Summer is included and the budgetary committee is working along approving proposals for summer student groups.

VI. **Approval of RSG Committee Chair Slate.** Motion to accept by Kaitlin and seconded by Alex T. Approved with one abstention.

VII. **RSG Spring/Summer 2012 Budget.** Alex T gives us a brief overview of the budget and events that are proposed by each committee. Additionally execs will be meeting with Natalie at Rackham later to fully disclose. Motion to approve the budget moved by Alex T and seconded by Chris. Dan voices concerns that the student life events have gone over in the past. Alex clarifies some line items. Dan asks what the backup plan is if we do go over, and Alex T says that sometimes we can cancel events in order to save money. Michael says that in the past we have gone over but the board has chosen to borrow against the Fall semester. Approved with one abstention.

VIII. **Conflict Resolution and Academic Integrity Discussion with Graduate Ombudsperson, Darlene Ray-Johnson.** Darlene starts out by discussing Rackham’s conflict resolution workshops for students and faculty but they have a hard time getting students to come to the workshops. The goal of the office is to pursue proactive, rather than reactive, skills and techniques to successfully manage the relationships we encounter during grad school. Darlene has questions for us. 1) is this a topic of interest for graduate students? If so, what kinds of things would Rackham have to think about in terms of getting students to participate in those activities. Eli discusses his seminar training that he received during welcome week during a first year. He asks Darlene what approaches she is particularly pursuing to train students in these issues. She explains some of the techniques. Eli says that the seminar he went through was useful in that it allowed for prediction of situations that could grow out of control and also provided phrases that specifically allowed for a responsible and respectful response. Darlene says that there is not a specific training that faculty are required to go through. Andrew asks if the conflict resolution is specific to academic issues and Darlene says it generally is. Chris says that if the workshop focuses on life skills that might help too. Eugene says that it seems that the approach that is being taken is from the bottom up with the students but it’s important to educate from the top down as well, specifically with faculty members. Kaitlin says that she’s surprised that faculty members aren’t required to go through such training because they are in a situation in which they will be encountering a lot of conflict, including issues that might bleed into the integrity policy. Anna asks what sort of protection there is in the policy that protects students from retaliation. Darlene says that there is one
sentence in the policy that particularly protects students against this but the office is willing to work with students directly. Michael points out some issues between financial aid relationships between students and advisors. Darlene says that part of the training is to ask how do you avoid conflict, as well as how do you manage conflict once it arises? One part of this includes setting expectations from the start and how those expectations would be addressed. Chris asks if there are any situations in which getting into conflict is better than avoiding it, depending on the situation. Darlene says that she never recommends avoiding conflict as it can get out of control. Eugene says that he feels it should be mandatory for everyone to go through it. Darlene says that she likes the suggestion but doesn’t know how to make anything mandatory for students.

a. **Darlene asks about delivery of the workshop material:** some options are webinars, during the week, during the evening, and etc. We go around the table and share our opinions. Andrew asks specific questions about the outcomes and teaching of the seminars. **Many comments summarized:** using webinars, having delivery through programs, having food or meetings at lunch or dinner, using ItunesU, having a CTools site that has information on policies and conflict resolution, improving search engines, etc. Darlene likes a lot of our ideas.

b. **Darlene asks about workshop times:** General board consensus is 1-2 hours in length.

c. **Academic Integrity Policy discussion:** Eli points out a paragraph in section 3 about pointing out faculty being required to uphold high standards of academic integrity. He feels that this is underrepresented in the faculty and the record happens to be unfortunately stained with faculty who don’t have a care for academic integrity. Brandon seconds and says that in his departments there are faculty members who don’t care about cheating on assignments and might actually encourage it. Michael says that he feels that a mix of students and faculty making the decision on who would sit on the board if there was a concern of academic integrity, this is comprised of 12 faculty and 8 students. Eli asks if research integrity is addressed by this board and she says yes but by a different board.

IX. **Committee Updates**

a. **Approval of committee minutes.** Motion to approve AAC minutes by Chris and seconded by Haven. Approved with one abstention. Budgetary committee minutes. Moved by Kaitlin and seconded by Chris. Approved with 4 abstentions. CoSAC minutes: motion to approve by Eli and seconded by Haven. Approved with 5 abstentions. Legislative affairs did not meet last week. Student life committee minutes: motion to approve by Eli seconded by Matt W. Approved with two abstentions.

X. **OPEN DISCUSSION**

a. Kaitlin brings up having a social event for the board maybe after the meeting next week. Haven asks about the resolution he submitted last week.

XI. **ADJOURNMENT at 7:48pm.** Motion to adjourn by Pete and seconded by Eli.
RACKHAM STUDENT GOVERNMENT
ACADEMIC AFFAIRS COMMITTEE
Thursday, May 31st 2012
6:30 pm, Amer's Delicatessen, 312 State St.

I. CALL TO ORDER
   a. Convene at 6.35

II. ROLL CALL OF MEMBERS
   a. Present: Representatives Anna Belak, Chris Tom, Eli Benchell Eisman, RSG President Michael Benson
   b. Absent (excused): Representatives Haven Allen, Kaitlin Flynn, Pete McGrath
   c. Absent (unexcused): Representatives Andrew Crawford, Alex Toulouse

III. CONFLICT RESOLUTION (active/reactionary)
   a. CT-Two major goals are conflict resolution. Board is the reactionary, Active. Training component is the more passive function.
   b. MB- We will likely be considering the diabanding of the CEDRBoard. Suggested by Rackham and with the consent of RSG. Will establish a new board. What is the function of the new board? Why is it important? What gap is it filling and how do the effect recommendations from the board (where does the power come from) and how do they interact with departments and administration? Needs to be broad.

   CT-informal ConfRes is handled by Darlene and the Ombuds office

   EE-How does a formal grievance get made? An informal grievance transitions to a formal grievance when both parties agree to undergo the formal dispute process.

   AB- How does Rackham create a new board. MB- RSG and Rackham write the policy

   MB- So why is the board necessary. AB- we just had the whole Union thing. CT- and all of the other events that could be benefit from the office

   MB- we need to highlight the deficiencies in Rackham. CT- SACUA should also be involved. MB- Rackham can appoint Deans, SACUA can appoint university wide faculty and RSG will elect the students.

   CT- we need a well defined mission. MB suggests a qualitative pie chart indicating the types of conflicts and those that are covered under Rackham and

   MB we will also need a centralized intake – informal and formal- maybe on the website, that we can then advertise to entire student body. MB suggests DRJ’s office. AB-
mentions a grievance wherein the student’s assumed confidentiality may have been breached and highlights its importance.

Let’s not discuss the power of the committee for right now, but MB has been meeting with Janet Weiss. MB suggests an initial drafting for

  c. Conflict Resolution Board – Composition/Structure, Defined Purpose/Mission Statement, Powers/Limitation of Powers

IV. CONFLICT RESOLUTION (passive/preventative)

A remake the resolution steps flow chart by August 10, to be included with the Rackham orientation packet along with RSG information.

MB- Peer ombuds- some students go through training and function as an information source, not to recommend course of actions, but to inform of option

Content will include- contact information, websties adna resources, CAPS information and related groups, resolution steps

MB – What is the grab that will entice people to open and read the form. CT suggests that this if more of a reference
Anna volunteers to reconstruct the flowchart when the committee provides the approved text.

  a. Orientation Handout (DRJ version attached)
  b. Training/Workshops

V. INTELLECTUAL PROPERTY & GRADUATE STUDENT BILL OF RIGHTS

Brought up at the last board meeting.
EE Suggests CTools as the means of information conveyance.

CT –IP in the GSBOR. MB- let’s hold off until Janet comes back.

VI. OPEN DISCUSSION

  a. The mechanism of funding for first year students should be standardized across Rackham
  b. MB- Rackham administers awards. For faculty awards for mentorship. RSG will create an RSG adminisetered Semesterly award. All advisors nominated get the award, the list will be published and the winners will be given a certificate. At the ends of the year Rackham will be asked to recognize those individuals. This responsibility will be tasked to the Academic Affairs committee.
  c. CT suggests that a seminar sponsored by Rackham, similar to the Golden
Apple series, to highlight graduate student achievement.

VII. **ADJOURNMENT:**
Adjourn – 7.17
Next meeting at 6.30 June 14th.
MOU = Memo of Understanding
RRO = Rackham Resolution Officer
RACKHAM STUDENT GOVERNMENT
COMMUNITY OUTREACH AND SOCIAL ACTION COMMITTEE
Wednesday, May 30th 2012
6:30 pm, Amer’s Delicatessen, 312 State St.

I. Call to order
   a. Convene at 6.35

II. Roll call of members
   a. Present: Representatives Alex Emily Eli Benchell Eisman
   b. Absent (excused): Representatives Heidi Alvey, Pete McGrath, Vanessa Cruz, Andrew Crawford RSG President Michael Benson

III. Summer budget
   a. Submitted for approval by the board for the summer term

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<td>A2 Parks and Rec - Van</td>
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<tr>
<td>H4H - Lunch and van</td>
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IV. Upcoming events
   a. Huron River Watershed Council (Alex)
      i. The date for this event is still unclear. Definitely at the end of June.
      ii. Budgeted for food for participants. No transportation costs to Island Park. Will encourage carpooling of participants, or other independent travel.
   b. Food Gatherers (Eli)
      i. Marz Roehrig - volunteer coordinator
      ii. Two types of events, Community Kitchen (~5 people, weekday availabilities morning, afternoon, evening, weekend afternoons) Carrot Way food warehouse (min. 15, max. 25 people, Monday-Saturday 9-11, 1-3, Tues-Thurs 5-7)
      iii. Can only schedule once volunteers are confirmed. Can hold spot for one week (but highly discouraged). Trying to schedule July 14, 28
   c. Greening of Detroit (Alex)
      i. Slated for early September weekend, following return of students
   d. A2 Natural Area Preservation (Eli)
      i. Scheduling date for August 4, 11, 18. Waiting to get response from Parks and Rec.
      ii. Transition into co-SLC event at Dominicks which will be advertised once the date is selected.
e. Beach Cleanup (Alex)
   i. July 21

V. **Open discussion**
   a. Eli wants to know where everyone is.
   b. Alex will be gone June 23 – July 9

VI. Adjourn
   a. 9.50
I. **CALL TO ORDER** 7:30 pm

II. **ROLL CALL OF MEMBERS**
   a. Present: Eli Benchell Eisman, Dan Trubman, Anna Belak, Chris Tom, Alex Toulouse, Michael Benson
   b. Absent (excused):
   c. Absent (unexcused):

III. **SAGE FALL SUMMIT:**
   a. Currently looking at hotels. Hoping to fix dates as soon as we can find a block of available rooms. Friday will be the forum focused on the future of higher education. We need to begin inviting speakers e.g. Mary Sue Coleman, President of Eastern Michigan, Congressman Dingell, Governor Snyder etc. Likely have 3 panels and would like to have breakout sessions with the attendees and close in a reception with a presentation of ideas from the breakout groups.
   b. Michael would like to showcase COSAC as some best practices that have been happening at UM with a volunteering event.
   c. Ideas for panel discussions: the role of government in education, the role of the university in industry and the state, student loan issues, the direction of higher education. If people have additional ideas, please email the group.
   d. Saturday and Sunday will be SAGE business.
   e. The next SAGE is this Sunday at 6 pm.
   f. RSG will only fund what has been spent for a delegation to travel in the past. Dan points out this will only happen if the board approves it! The execs will begin fundraising soon with the goal of raising between $10-15k.

IV. **STATE ISSUES:**
   a. Will be signing another agreement with Michigan State University with plans to have:
      i. Joint advocacy day in Lansing
      ii. Tailgate at the MSU game
      iii. Graduate Academic Conference
   b. Michael would like to start developing white papers for state level advocacy. Dan suggests budget issues and school autonomy issues with GSRA issue, and domestic partner benefits. Michael mentions healthcare for graduate students. Michigan State requires all students to have
healthcare which there has been debate about on the state level. Michael asks that we talk to our constituents and submit ideas to the group.

V. LOCAL ISSUES:
   a. Potential candidates forum. Not considering doing for the primary but should start planning for the general election. Dan suggests holding off for fall when there will be more issues on the ballot e.g. UAW right to work issue and Emergency manager issue.
   b. Forum for lease signing ordinance. Will start coordinating for the fall.

VI. OPEN DISCUSSION:
   a. Dan asks if RSG has participated in a drive to register graduate students to vote. Michael says it has been done, and could be done again but we would need someone to lead the effort. We would also likely partner with the Central Student Government’s Voice your Vote (VYV) Commission.

VII. ADJOURNMENT: 8:30 pm
I. **CALL TO ORDER** 7:35 pm

II. **ROLL CALL OF MEMBERS**
   a. Present: Alex Emly, Bernardo Orvannanos, Matt Waugh, Evan Arthur
   b. Absent (excused): Alex Toulouse, Michael Benson, Katilin Flynn
   c. Absent (unexcused): Anna Wagner,

III. **BAR NIGHTS**
    We will not be doing Bab’s tomorrow, but we do want to do Bab’s next week, and Friday, June 8 would be lovely, but if we can not get that date, then Thursday, June 7 after the board meeting would be good.

IV. **HAPPY HOURS**
    We are going to have a happy hour on the third week of June, July and August.
    We’d like to do 6-8 so as to avoid some of the 7:00 dinner rush, and then it’s more right after work as opposed to 7:00.
    **Action Items:** Those present at the meeting volunteered to call bars to ask the following:
    1) happy hour times/days
    2) ability to get extra specials
    3) if a happy hour ends before we’d like our event to end, if the bar would be willing to extend that happy hour.
    4) If the bar is cool with us showing up with an unknown amount of people.
    Last summer, our bar night at Alley Bar got 80ish people, we haven’t done happy hours so are unsure currently, but we should know after the June event what to expect for the rest of the summer
    Papa Smurf (props to Eli): Grizzly Peak, Jolly Pumpkin
    Evan : Blue Tractor, ABC
    Bernardo: Charley’s/Cantina (same owner so should be one call)
    Alex : Blue Lep / Brown Jug

V. **RACKHAM EVENTS**
    We still don’t know the schedule. These will mainly be on weekends though, and the other events we’re planning tend to be during the week

VI. **GRAD STUDENT SURVEY**
    Matt raises valid points and has some good ideas for questions.

VII. **REGISTERING STUDENT ORGS**
    We need to do it. Matt says he liked how online you can see the checklist of
everything you need to do when you register as well as what benefits you get from registering, so we should replicate that.

VIII. OPEN DISCUSSION

IX. ADJOURNMENT: 7:54 pm
AN EXECUTIVE ORDER CREATING AN EVENTS MANAGER POSITION

WHEREAS, The Rackham Student Government (RSG) has become significantly more active over the past three academic years; AND

WHEREAS, The RSG Vice President serves as the chief operating officer of the graduate student body¹; AND

WHEREAS, The RSG Vice President is responsible for managing RSG’s numerous committees; AND

WHEREAS, The RSG President serves as the Chief Executive Officer of the Rackham Student Government and of the Graduate Student body²; AND

WHEREAS, The President, as the chief executive officer administers the executive branch of the Rackham Student Government; AND

WHEREAS, The President has created numerous ad-hoc committees during his tenure in office and these committees often fall under the supervision of the Vice President; AND

WHEREAS, It would be beneficial to designate an individual to work with the Vice President with a focus on external event management thereby allowing the Vice President to focus on committee operations and internal operations; AND

WHEREAS, Article 4, section A, subsection 1a grants the president powers as RSG’s Chief Executive as well as authority to run the executive branch of the graduate student body’s government; NOW THEREFORE I, MICHAEL L. BENSON, AS THE DULY ELECTED PRESIDENT OF THE RACKHAM STUDENT GOVERNMENT AND BY THE POWER VESTED IN ME BY THE CONSTITUTION OF THE STUDENT BODY OF THE ANN ARBOR CAMPUS OF THE UNIVERSITY OF MICHIGAN AND THE BYLAWS OF THE RACKHAM STUDENT GOVERNMENT DO HEREBY ORDER THE FOLLOWING:

¹ RSG Bylaws. Article IV Section 2.a
² RSG Bylaws, Article IV Section 1.a
SECTION 1. A position be created with the title RSG Events Director within the RSG executive branch.

SECTION 2. The RSG Events Director will have the following powers and responsibilities:

a. EVENT CALENDARING. The Events Director will be responsible to ensure that RSG’s calendar of sponsored events is manageable given the number of seated representatives, as well as other external time commitments, including federal holidays and the like.

b. EVENT PLANNING. The Events Director will develop a process for committee chairs and representatives to develop their events and to present them for approval to the RSG Board in a timely manner. This process should be developed in concert with the Treasurer and the Vice President who will have oversight respectively of the financial and communications aspects of the proposed events. Once approved by the executive board, the Events Director will meet with each of RSG’s committees to implement the new process.

c. EVENT REVIEW AND FUTURE RECOMMENDATIONS. Within 14 calendar days of an RSG sponsored event’s conclusion. The Events Director will work with the event’s planner(s) to construct a written report to the executives and the Board of the event which will, at a minimum, contain the following:

i. A detailed “How To” guide for future chairs or representatives on how to hold the event.

ii. A detailed financial accounting showing both what was budgeted and what was actually spent.

iii. Recommendations as to what went well and what could be improved upon should the event be held again.

iv. Recommendations as to if the event should be hosted again by RSG or if there is another more appropriate host.

SECTION 3. The RSG Events Director will be granted and delegated the following powers to meet the responsibilities laid out in section 2 of this order:

a. COMMITTEE LEADERSHIP. The Events Director will serve as an ex-officio co-chair of the following RSG Committees: Academic Affairs, Community Outreach and Social Action, Legislative Affairs, and Student Life.
b. APPROVAL AUTHORITY. Prior to an event being sponsored by RSG, the events coordinator will review the proposal and will either approve or reject the event plan. Events may be rejected for any of the following reasons: incomplete proposal, overlap with other RSG events, lack of person power to successfully run the event, or any other reason approved by one of the executives.

i. TIMELINE. The Events Director will publish a procedure for committees and representatives to seek approval for their events. This procedure will note a minimum amount of time required for review prior to the proposed event.

ii. APPEAL. Event coordinators may appeal an event rejection decision to the Executive Board. Appeals must be submitted in writing to rsg-exec@umich.edu within 2 business days of the Events Director’s rejection. The Executive Board will review the Events Director’s rationale for the rejection as well as evidence presented by the appellant. A 2/3rds majority vote of the executive board will be required to overturn the Events Director’s rejection.

c. EVENT THEMING AND COORDINATION. The Events Director will have the power to modify event plans, as necessary to ensure that RSG’s overarching theme(s) and messaging are being delivered.

SECTION 4. The RSG Events Director will report to the Executive Board.

SECTION 5. Appointment. The President will nominate and appoint a representative or associate representative to serve as Events Director. This appointment shall be subject to appeal by the Board.

SECTION 6. Vacancy. Should the RSG Events Director resign or be removed from office, the President will fill the vacancy by or at the next regularly scheduled RSG Board meeting.

Section 7. Term. The RSG Events Director will serve at the pleasure of the President.

IT IS SO ORDERED.

_____________________
Michael L. Benson
President, Rackham Student Government
Rackham Student Government Funding Application

Organization Name:
SOAS Account #:  
Registered with MSA? Yes No

Primary Contact Name:
Title:
Email:
Phone:

Secondary Contact Name:
Title:
Email:
Phone:

Please check any of the following that describe your organization:

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<td>Creative Arts/Expression (Visual, Performance, and/or Exhibition)</td>
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Describe the overall purpose/mission of your organization and the planned initiatives and activities intended to uphold said objective(s).

# of active student members:  ______
# of graduate student members:  ______

Average attendance at group meetings (Board, committee, event planning, etc.):  ______
Average attendance at similar events:  ______
Average graduate student attendance at similar events:  ______

How often does your group meet?  ______

Does your group charge dues to members?  Yes No
Do all of your activities/events take place on campus? If yes, where do you prefer to hold your programs? If not, where else do they take place?

Does your group engage in political activity, i.e., electoral, partisan, etc.? If so, describe this activity.

Does your group engage in lobbying efforts? If so, describe these efforts.

Does your group work with any University department or other student organizations in any capacity? If so, please describe this collaboration.

Is your group affiliated with a national, parent, and/or umbrella organization? If so, please describe this relationship and how it plays a role in your organization's functioning.

What is your yearly budget? What % of your budget have you set aside for this event?
Event Description

Event name:  
Event date(s):  
Event location:  

1. Briefly describe this event. What is its overall purpose? 

2. Describe how this event will affect our campus and the graduate student body. 

3. Describe how this event will include other groups or departments. 

4. With which other groups or departments are you sponsoring this event, if any? 

5. If your organization is traveling, explain why this is integral to your event and how it will impact the graduate student community. 

6. If your organization is purchasing food, explain why this is integral to your event and how it will impact the graduate student community. Also, where are you ordering from and what is the approximate food cost/attendee? 

7. If your organization is bringing a speaker, performer, DJ, photographer (or any other paid individual for services rendered), explain why this is integral to your event and how it will impact the graduate student community. Please explain how the amount he or she will be paid was determined based on similar services. Additionally, attach a short biography to the end of this application. 

8. If your organization is applying for capital goods (anything that can be reused after the event has taken place), explain why such goods are integral to the event.
9. Who is eligible to participate? (Keep in mind the more diverse the graduate student participation, the more likely RSG will fund)

10. How many participants do you expect? What % of those participants do you expect to be graduate students?

11. Are your date and location confirmed?  Yes  No

12. Will you charge admission?  Yes  No
   If so, how much per person?

13. Will this be donated to charity?  Yes  No
   If yes, what percentage will be donated?

14. How do you intend to advertise, in particular to graduate students?

15. To what other funding bodies have you applied and/or have received funds from? Please note each funding body here, the amount for which you applied, the amount that was granted, and to what purpose you intend to put those allocated funds. Requests of funding for the majority of events cost solely to RSG will rarely be fully funded, please seek out additional funding sources as well.

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16. If RSG does not fully fund your event in the amount requested, how do you intend to cover those costs? Will the event still be held?
### Event Budget

List all expenses. Please use the notes section below each category to explain costs in greater detail. Be sure to cover ALL costs, not just those you are asking RSG for funding for.

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<tr>
<th>Category</th>
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Sequestration: What it Means and How it Could Affect Federal Research Funding

Why are we talking about sequestration?
The Budget Control Act of 2011 (PL 112-25) was enacted last August. It brought to a conclusion the 2011 debt ceiling crisis, which threatened to put the US in sovereign default. As enacted, the Budget Control Act (BCA):

- Established caps on defense and non-defense discretionary spending through 2021;
- Established a procedure to increase the debt limit by $400 billion initially and procedures that would allow the limit to be raised further in two additional steps, for a cumulative increase of between $2.1 trillion and $2.4 trillion;
- Created a Congressional Joint Select Committee on Deficit Reduction to propose further deficit reduction, with a stated goal of achieving at least $1.5 trillion in budgetary savings over 10 years; and
- Established automatic procedures (sequestration) for reducing spending by as much as $1.2 trillion if the Joint Select Committee fails to make recommendations, and/or Congress fails to enact legislation, that would achieve such savings.

As you all now know, the Joint Select Committee failed to reach an agreement on deficit reduction just before Thanksgiving last year. Therefore, as required under BCA, an automatic sequestration of $1.2 trillion will begin on January 2, 2013, and will continue in subsequent years through FY21. The BCA does not lay out any specific program funding cuts but does require cuts among large categories of spending.

How is Federal Government spending divided?
(1) Mandatory or entitlement programs, such as Social Security, Medicare, Medicaid and certain other programs – including but not limited to food stamps, federal civilian and military retirement benefits, veterans' disability benefits and unemployment insurance – that are not controlled by the annual appropriations or budget process. Mandatory programs account for more than 60 percent of federal spending, and the cost of these programs is expected to rise dramatically in the coming years as more people become eligible for benefits.

(2) Discretionary programs must have their funding renewed each year by Congress in order to continue operating. The annual budget process, including the 12 annual appropriations bills, determines the discretionary funding necessary to administer most government agencies and programs. Almost all defense spending is discretionary, as are the budgets for basic research, K-12 education, workforce training, housing, and many others. Altogether, discretionary programs make up about one-third of all federal spending.

How does the BCA treat mandatory programs?
The BCA requires cuts to mandatory spending amounting to approximately 29 percent of the overall $1.2 trillion in total reductions. Of this, 16 percent of savings will be due to lower debt service and 13 percent will come from an automatic sequestration of mandatory spending for FY13-FY21. Several mandatory programs, and portions of programs, are exempt from the sequestration process, including Social Security benefits and Medicaid. There also is a 2 percent limit on cuts to Medicare.

How does the BCA treat discretionary programs?
The BCA limits discretionary spending by establishing specific spending caps for FY12-FY21. Typically, Congress establishes these spending caps each year through a Budget Resolution, but the BCA overrides this effort and establishes the spending caps through FY21. The Congressional appropriations committees will maintain jurisdiction over funding levels for specific programs, projects, and activities but they may not exceed the caps established in the BCA.
Here’s how it will all work:

- Approximately $109 billion will be sequestered from discretionary programs in FY13, half from Defense accounts and half from non-Defense accounts.

- The Congressional Budget Office (CBO) estimates that sequestration will likely reduce security/Defense discretionary funding by 10 percent and non-security discretionary funding by 7.8 percent in FY13 (as compared to enacted FY12 levels).

- The caps on spending for FY14-FY21, after the initial FY13 sequestration cuts, will achieve the balance of the savings – resulting in declining reductions (below the previously projected spending levels) of 8.5 percent for security programs and 5.5 percent for non-security programs by the time we reach FY21.

- If Congress adheres to the spending caps for the entire 10 year period, it will appropriate about $825 billion less than if it appropriated the same level of resources, adjusted for inflation, as in FY11.

**How are discretionary programs likely to be affected?**

Though the estimate of sequestration cuts to non-security discretionary programs in FY13 will be 7.8 percent, this does not mean that all programs will be treated equally. The BCA included sequestration exemptions for several programs, accounts, and activities within discretionary spending. This could mean that some programs may suffer significantly higher cuts, while others are left untouched or even increased.

- Under the BCA, the White House Office of Management and Budget (OMB) is tasked with calculating the sequestration and annual spending cap targets. Therefore, OMB will have some responsibility in interpreting which programs and portions of programs are exempt from sequestration – unless Congress intervenes.

- Since sequestration is not scheduled to begin until January 2013, Congress may still pass legislation to adjust sequestration levels or redefine sequestration categories or exemptions. At this point, we do not know if or how Congress will intervene in the sequestration process.

- Members of Congress strongly supportive of defense spending have announced plans to protect the Pentagon’s budget from the nearly $500 billion in estimated cuts over the FY13-21 window. However, President Obama has announced he will veto any legislation that unilaterally prevents defense cuts.

- If Congress approves a budget resolution this spring (typically done annually to set the spending levels for the appropriations process), it is likely that it will be the vehicle for changes to the sequestration process. Indeed, House Republicans have already announced plans to use the budget resolution to modify sequestration with an alternative fiscal fix.

- Should OMB retain control over defining and calculating the sequestration categories, the President’s FY13 budget request to Congress, to be released February 13th, will provide a good indication of which programs are likely to suffer most heavily under sequestration and which programs OMB is most likely to protect.

- It is safe to assume that under the current scenario, NIH, NSF and other research grant-making agencies will receive at least a 7.8 percent reduction in funding for FY13.
• While it is unlikely that these cuts will result in reductions to existing grants, it is highly probable that renewals could be canceled and future awards drastically reduced.

• In addition, research centers enjoying multi-year funding could experience cuts or eliminations.

• While much is still unknown, the UW should prepare for at least proportional cuts of 8 percent for NIH- and NSF-supported research and 10 percent to Defense-supported research to its federal portfolio. Other research areas may not fare as well; planning for a 10 percent or more reduction is recommended.

Does the BCA solve our nation’s debt issues?
No. The BCA only slows the growth of our nation’s debt but does not bring the federal budget into balance. The only way to solve our debt crisis is to deal with mandatory programs and revenues (taxes), the two most politically difficult issues to reach consensus on in a deeply partisan Congress. Until they agree to tackle those big issues – almost certainly NOT before the November elections – we will continue to see additional attacks on discretionary programs.

The following chart shows how our nation’s debt will grow with and without sequestration applied. As you can see, the BCA merely makes a dent in slowing the rate of growth of our debt.

What happens now?
It is unclear how Congress may attempt to change the BCA and how sequestration is applied. There has already been plenty of discussion about protecting Defense funding. If Congress does succeed in protecting Defense funding, it will likely come at the expense of greater cuts to basic research. It is also possible that Members of Congress will continue to push for further reductions to tackle the ongoing budget deficit. In fact, the House Republicans will very likely submit
a budget resolution in the spring that sets FY13 spending levels BELOW the caps established in the BCA. We have to wait and see if the Senate democrats or President Obama agrees with these additional cuts during a tough election year.

Regardless, this issue will be front and center throughout the year and leading up to the November elections. Do not, however, expect Congress to approve much if any legislation to modify sequestration. Any real legislative action will likely take place after the elections during a lame duck session. Until then, the Office of Federal Relations, along with our counterparts at the other research universities around the country, will be working hard to educate Members of Congress and agency officials about the work that we do and why we are a good investment to help revitalize the economy.

**What can you do?**

Now is the time to communicate regularly with the Federal Relations staff. Many of you will be asked by your national associations and professional societies to engage with Congressional offices on specific funding and policy issues related to your field and potential cuts. Please keep us in the loop on these requests as we can help guide you to the most appropriate office and assist you in tailoring your message for the maximum impact. We are also currently collecting information on the results of federal grants funding—whether it be in promising new research; preparing future scientists, engineers, doctors, or teachers; or in collecting and disseminating large data sets to help guide public policy. We are looking for positive stories that we can share with Member of Congress and the Administration that demonstrate our effective use of federal grant dollars.

You can also stay informed by reading the Federal Relations blog at [http://www.washington.edu/federalrelations/](http://www.washington.edu/federalrelations/). We will continue to post budget related information on our blog throughout the year. Additionally, this is the place where we try to alert campus to other important legislative issues as well as large federal grant opportunities.

We are also looking forward to seeing many of you in DC as you attend national conferences and annual meetings. Please do let us know when you will be in DC so that we can help you think about meetings with Members of Congress, their staff, and Administration officials that might further the UW agenda through your good work. This year is shaping up to be a challenging and anxiety-filled year for those who rely on federal research dollars, and the Federal Relations team looks forward to working with you to deliver your message in the most effective way possible.

**Who can you contact for more information?**

Office of Federal Relations

Christy Gullion  
**Director**  
cgullion@uw.edu  
202-624-1424

Sarah Martin Castro  
**Associate Director**  
smcastro@uw.edu  
202-624-1426

Bri Fields  
**Assistant to the Director**  
bcfields@uw.edu  
202-624-1420
Budget “Sequestration” and Selected Program Exemptions and Special Rules

Karen Spar, Coordinator
Specialist in Domestic Social Policy and Division Research Coordinator

April 27, 2012
Summary

“Sequestration” is a process of automatic, largely across-the-board spending reductions under which budgetary resources are permanently canceled to enforce certain budget policy goals. It was first authorized by the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA, Title II of P.L. 99-177, commonly known as the Gramm-Rudman-Hollings Act).

The sequestration process is of current interest because it was included as an enforcement mechanism in the Budget Control Act of 2011 (BCA, P.L. 112-25). Sequestration can also occur under provisions of the Statutory Pay-As-You-Go Act of 2010 (Statutory PAYGO, Title I of P.L. 111-139). In either case, certain programs are exempt from sequestration, and special rules govern the effects of sequestration on others. For the most part, these provisions are found in Sections 255 and 256 of BBEDCA, as amended.

The following two components of the BCA could result in automatic sequestration:

- Establishment of discretionary spending limits, or caps, for each of FY2012-FY2021. If Congress appropriates more than allowed under these spending limits in any given year, the automatic process of sequestration would cancel the excess amount.

- Failure of Congress to enact legislation developed by a Joint Select Committee on Deficit Reduction, by January 15, 2012, to reduce the deficit by at least $1.2 trillion. The BCA provides that such failure would trigger a series of automatic spending reductions, including sequestration of mandatory spending in each of FY2013-FY2021, a one-year sequestration of discretionary spending for FY2013, and lower discretionary spending limits for each of FY2014-FY2021.

In fact, the Joint Committee did not develop legislation to achieve the necessary deficit reduction and Congress did not meet the January 15, 2012, deadline. Thus, the first automatic spending cuts under the BCA are now scheduled to take effect on January 2, 2013.

Under the Statutory PAYGO Act, sequestration is part of a budget enforcement mechanism that is intended to prevent enactment of mandatory spending and revenue legislation that would increase the federal deficit. This act requires the Office of Management and Budget (OMB) to track costs and savings associated with enacted legislation and to determine at the end of each congressional session if net total costs exceed net total savings. If so, a sequestration will be triggered.

If sequestration is triggered—either under the BCA or Statutory PAYGO Act—the exemptions and special rules of Sections 255 and 256 of BBEDCA apply. Most exempt programs are mandatory, and include Social Security and Medicaid; refundable tax credits to individuals; and low-income programs such as the Children’s Health Insurance Program, Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, and Supplemental Security Income. Some discretionary programs also are exempt, notably all programs administered by the Department of Veterans Affairs. Also, subject to notification of Congress by the President, military personnel accounts may either be exempt or reduced by a lower percentage.

Special rules also apply to several, primarily mandatory, programs. For example, under Section 256 of BBEDCA, Medicare may not be sequestered by more than 4%. However, the BCA further limits sequester of Medicare to no more than 2%.
Introduction

“Sequestration” is a process of automatic, largely across-the-board spending reductions to meet or enforce certain budget policy goals.1 It was first established by the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA, Title II of P.L. 99-177, 2 U.S.C. 900-922) to enforce deficit targets. In the 1990s, sequestration was used to enforce statutory limits on discretionary spending and a pay-as-you-go (PAYGO) requirement on direct spending and revenue legislation. After effectively expiring in 2002, sequestration was reestablished by the Statutory Pay-As-You-Go Act of 2010 (P.L. 111-139) to enforce a modified PAYGO requirement on direct spending and revenue legislation. Most recently, under the Budget Control Act of 2011 (BCA, P.L. 112-25), sequestration was tied to enforcement of new statutory limits on discretionary spending and achievement of the budget goal established for the Joint Select Committee on Deficit Reduction. Under current law, a sequestration triggered by the BCA is scheduled to occur on January 2, 2013, and will affect spending for FY2013.

In general, sequestration entails the permanent cancellation of budgetary resources by a uniform percentage.2 Moreover, this uniform percentage reduction is applied to all programs, projects, and activities within a budget account.3 However, the current sequestration procedures, as in previous iterations of such procedures, provide for exemptions and special rules. That is, certain programs and activities are exempt from sequestration, and certain other programs are governed by special rules regarding the application of a sequester. This report provides an overview of those exemptions and special rules, which are generally found in Sections 255 and 256 of BBEDCA, as amended (2 U.S.C. 905 and 906).

Current Sequestration Triggers

As noted above, sequestration is tied to certain budget goals established in the Budget Control Act of 2011, as well as the Statutory PAYGO Act of 2010. To provide some context for the exemptions and special rules applicable to the current sequestration procedures, brief descriptions of the budget goals that may be enforced by sequestration are provided below. For more detailed information on current budget constraints and goals, readers should consult CRS Report R41965, The Budget Control Act of 2011, by Bill Heniff Jr., Elizabeth Rybicki, and Shannon M. Mahan; and CRS Report R41157, The Statutory Pay-As-You-Go Act of 2010: Summary and Legislative History, by Bill Heniff Jr. For analysis of the impact of BCA on federal spending and the deficit, see CRS Report R42506, The Budget Control Act of 2011: The Effects on Spending and the Budget Deficit When the Automatic Spending Cuts Are Implemented, by Mindy R. Levit and Marc Labonte.

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2 “Budgetary resources” include new budget authority, unobligated balances, direct spending authority, and obligation limitations, as defined in Section 250(c)(6) of the BBEDCA, as amended.

3 For accounts included in appropriations acts, programs, projects, and activities within each budget account are delineated in those acts or accompanying reports; and for accounts not included in appropriations acts, they are delineated in the most recently submitted President’s budget.
Sequestration Triggers Under the BCA

The Budget Control Act of 2011 (BCA) was enacted on August 2, 2011. It provided for increases in the debt limit and established procedures designed to reduce the federal budget deficit. The BCA has two primary components designed to trigger a sequestration of discretionary and/or mandatory (or direct) spending:

- Title I of the BCA established discretionary spending limits, or caps, for each of FY2012-FY2021. If Congress appropriates more than allowed under these spending limits in any given year, the automatic reduction process of sequestration will cancel the excess amount. For FY2012 and FY2013, the spending limits were divided into “security” and “nonsecurity” categories, with security defined broadly to include the Departments of Veterans Affairs (VA), Homeland Security (DHS), and State, in addition to the Department of Defense and certain other activities. For FY2014 and subsequent years, no distinction was made between security and nonsecurity, and Title I of the law established a single discretionary spending limit for each year.

- Title IV of the BCA established a bipartisan Joint Select Committee on Deficit Reduction. Failure by Congress to enact legislation by January 15, 2012, developed by the Joint Committee and reducing the deficit by at least $1.2 trillion, would trigger a series of automatic spending reductions intended to achieve that level of savings over the FY2013-FY2021 period. These automatic reductions include sequestration of mandatory spending for each of FY2013-FY2021, a one-year sequestration of discretionary spending for FY2013, and lower discretionary spending limits for FY2014-FY2021. Spending reductions would be divided equally between security and nonsecurity. However, these terms are redefined, so that “security” consists only of budget function 050 (effectively, the Department of Defense), and “nonsecurity” includes all other government spending (including the VA, DHS, and State). The distinction between security and nonsecurity (as redefined) remains for each of FY2014-FY2021.

The security-nonsecurity distinction is significant because sequestration is imposed within these categories. For example, under the spending limits established under Title I of the BCA, if

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5 Discretionary spending is provided in and controlled through the annual appropriations process and represents a portion of total federal spending. The other portion, referred to as direct spending (or mandatory spending), is generally provided in or controlled by authorizing legislation that requires federal payments to individuals or entities, often based on eligibility criteria and benefit formulas set forth in statute. Some direct spending is funded in appropriations acts, referred to as appropriated entitlements, but is controlled by the authorizing statute(s).

6 Adjustments are allowed to these discretionary spending limits for certain specified activities, such as costs associated with disability redeterminations, health care fraud and abuse, overseas contingency operations and the War on Terror, emergency spending, and funding for disasters.

7 The Office of Management and Budget (OMB) has determined that discretionary amounts provided for FY2012 were within the BCA spending limits, so that no sequestration was necessary for that year. See http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration/sequestration_final_jan2012.pdf.
Congress appropriated more than allowed for either category in FY2012 or FY2013, the excess spending would be canceled in the category where the breach occurred. As noted above, security was defined broadly under Title I, and spending was divided between the two categories only for two years; a single discretionary spending limit was set for FY2014 and subsequent years.

Because the Joint Committee did not, in fact, develop legislation to achieve the specified level of deficit reduction by the deadline set in the BCA, and Congress did not subsequently enact such legislation by January 15, 2012, the automatic budget enforcement procedures provided by the law are now scheduled to occur.8 The first fiscal year these procedures will affect is FY2013; sequestration of excess spending for that fiscal year (as outlined in the second bullet on the previous page) is scheduled to happen on January 2, 2013.

The automatic procedures triggered by failure of the Joint Committee process will affect both mandatory and discretionary spending, and will result in the security and nonsecurity categories being reduced by an equal amount of spending in each of FY2013 through FY2021. Because the definition of “security” is revised to mean primarily the Department of Defense, this means that half of the necessary spending reductions will come from that department while the other half will come from the rest of the federal budget. In addition to lowering the discretionary spending limits, these automatic procedures maintain separate spending limits for security and nonsecurity, as those terms have been revised, for each year through FY2021.9

Sequestration Trigger Under Statutory PAYGO

The Statutory Pay-As-You-Go Act of 2010 was enacted on February 12, 2010, as Title I of P.L. 111-139.10 It established a permanent budget enforcement mechanism intended to prevent mandatory (i.e., direct) spending and revenue legislation that would increase the deficit from being passed and signed into law. (Statutory PAYGO does not apply to discretionary spending.) The act requires various scorekeeping procedures, including five-year and 10-year scorecards that track costs and savings associated with enacted legislation. At the end of each congressional session, the Office of Management and Budget (OMB) generally must determine whether the net effect of direct spending and revenue legislation enacted during the session has increased the deficit, and if so, a sequestration will be triggered.

Certain costs and savings are not counted toward Statutory PAYGO, including designated emergency spending, debt service costs, costs associated with a shift in timing of certain outlays, and net savings from the CLASS Act.11 In addition, the law provides that if enacted by December

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8 For the statement of the Joint Committee co-chairs, announcing they would not meet the statutory deadline, see http://www.murray.senate.gov/public/index.cfm/2011/11/statement-from-co-chairs-of-the-joint-select-committee-on-deficit-reduction.


11 The CLASS Act was anticipated but not yet enacted at the time P.L. 111-139 was enacted. See CRS Report R40842, Community Living Assistance Services and Supports (CLASS) Provisions in the Patient Protection and Affordable Care (continued...)
31, 2011, costs associated with four specified categories of legislation (Medicare physicians’ payments, the estate and gift tax, the alternative minimum tax, and certain “middle-class” tax cuts) would be excluded within limits set forth in the act. This provision has not been extended to apply to legislation enacted after 2011.

**Program Exemptions and Special Rules for Sequestration**

Certain programs are exempt from sequestration, and special rules govern the sequestration of others. For the most part, these provisions are found in Sections 255 and 256 of the Balanced Budget and Emergency Deficit Control Act (BBEDCA), as amended. These provisions would apply to sequestration orders that occur under either the BCA or the Statutory PAYGO Act.

Questions about the specific impact of sequestration on any particular program or policy area cannot be answered strictly from reading the relevant provisions of law. If sequestration occurs, all nonexempt “programs, projects, and activities” must be reduced by a uniform percentage (unless provided otherwise under special rules; see “Section 256 Special Rules”). However, numerous factors potentially affect the sequestration process, including the amount of budgetary resources subject to sequestration and the interpretation of statutory requirements as they apply to specific programs and activities.

Section 255 of BBEDCA (codified at 2 U.S.C. 905) identifies programs that are exempt from sequestration, and Section 256 of BBEDCA (codified at 2 U.S.C. 906) establishes special rules. Readers should note that these sections have been amended as recently as February 2010, under the Statutory PAYGO Act; however, an actual sequestration has not occurred since the early 1990s.12 Thus, CRS cannot say with certainty how these provisions may be interpreted and applied in a future sequestration, including the sequestration scheduled to occur in January 2013, or how potential ambiguities in language may be resolved. The following should be considered as only a general description of the law and not an attempted interpretation. Ultimately, the execution and impact of any automatic spending reduction triggered under provisions of the BCA or Statutory PAYGO will depend in large part on the legal interpretations and actions taken by OMB.13

(...continued)

Section 255 Program Exemptions

Section 255 contains a list of programs and activities that are exempt from sequestration. Most are mandatory, although a few are discretionary, most notably programs administered by the Department of Veterans Affairs (VA). In many cases, specific budget accounts are provided, so readers are referred to the statute for precise identification of exempted programs and activities. While the law provides a list of programs and types of spending that are exempt from sequestration, there is no definitive list of programs or types of spending that would absolutely be subject to sequestration. As stated above, the impact of sequestration on any given program will depend on the actions and interpretations of OMB. The following are selected programs identified in Section 255 as exempt from sequestration:

- Social Security benefits (old-age, survivors, and disability) and Tier 1 Railroad Retirement benefits.
- All programs administered by the VA, and special benefits for certain World War II veterans.
- Net interest (budget function 900).
- Payments to individuals in the form of refundable tax credits.
- Unobligated balances, carried over from prior years, for nondefense programs.
- At the President’s discretion (subject to notification to Congress), military personnel accounts may be exempt entirely, or a lower sequestration percentage may apply.
- A list of “other” budget accounts and activities; readers should consult the statute for a complete list. A few selected examples include:
  - activities resulting from private donations, bequests or voluntary contributions, or financed by voluntary payments for good or services;
  - advances to the Unemployment Trust Fund;
  - payments to various retirement, health care, and disability trust funds;
  - certain Tribal and Indian trust accounts; and
  - Medical Facilities Guaranty and Loan Fund.

See Appendix for the complete statutory language of Section 255 of BBEDCA.

For a table showing some of the largest programs exempt from sequestration, including their FY2010 budgetary authority and discretionary/mandatory status, see Table 4 in CRS Report R42013, The Budget Control Act of 2011: How Do the Discretionary Caps and Automatic Spending Cuts Affect the Budget and the Economy?, by Marc Labonte and Mindy R. Levit.

Also see discussion of special rules in the “Veterans’ Medical Care” section, below.

These would include the Earned Income Tax Credit and the refundable portion of the Child Tax Credit (sometimes referred to as the Additional Child Tax Credit.). In addition, the Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended) established a refundable tax credit for individuals and families with incomes between specified levels to help them purchase health insurance coverage; presumably this tax credit also would be exempt. See CRS Report R42051, Budget Control Act: Potential Impact of Automatic Spending Reduction Procedures on Health Reform Spending, by C. Stephen Redhead.

Also see discussion of special rules in the “Unemployment Compensation” section, below.
• Specified federal retirement and disability accounts and activities (consult the statute for the complete list).

• Prior legal obligations of the federal government in specified budget accounts (consult the statute for the complete list).\(^\text{19}\)

• Low-income programs, including
  • Academic Competitiveness/Smart Grant Program;\(^\text{20}\)
  • mandatory funding under the Child Care and Development Fund;
  • Child Nutrition Programs (including School Lunch, School Breakfast, Child and Adult Care Food, and others, but excluding Special Milk);
  • Children’s Health Insurance Program (CHIP);
  • Commodity Supplemental Food Program;
  • Temporary Assistance for Needy Families (TANF) and the TANF Contingency Fund;
  • Family Support Programs;\(^\text{21}\)
  • Federal Pell Grants;
  • Medicaid;
  • Foster Care and Permanency Programs;
  • Supplemental Nutrition Assistance Program (SNAP, formerly food stamps); and
  • Supplemental Security Income (SSI).

• Medicare Part D premium and cost-sharing subsidies; Medicare Part D catastrophic subsidy payments; and Qualified Individual (QI) premiums.\(^\text{22}\)

• Specified economic recovery programs, including GSE Preferred Stock Purchase Agreements, the Office of Financial Stability, and the Special Inspector General for the Troubled Asset Relief Program.

• The following “split-treatment” programs, to the extent that the programs’ budgetary resources are subject to obligations limitations in appropriations bills:
  • Federal Aid-Highways;
  • Highway Traffic Safety Grants;
  • Operations and Research NHTSA and National Driver Register;

\(^{19}\) Programs on the list include the Federal Crop Insurance Corporation Fund; the exemption of prior legal obligations for agriculture is similar to a special rule under Section 256 of BBEDCA for the Commodity Credit Corporation (discussed below).

\(^{20}\) Due to sunset provisions, no grants can be made under this program after June 30, 2011.

\(^{21}\) This account includes the Child Support Enforcement program. See discussion of special rules in the “Child Support Enforcement” section, below.

\(^{22}\) These programs are not listed in Section 255, but instead Section 256(d) identifies them as programs exempt from sequestration “in addition to” the programs listed in Section 255. See the “Medicare” section, below.
• Motor Carrier Safety Operations and Programs;
• Motor Carrier Safety Grants;
• Formula and Bus Grants; and
• Grants-in-Aid for Airports.

Section 256 Special Rules

In addition to the exemptions in Section 255 of BBEDCA, Section 256 establishes special rules for sequestration of certain programs. Most Section 256 special rules apply to mandatory programs, although some discretionary programs are included (e.g., certain health programs). Once again, the effect of sequestration on any given program is subject to the interpretation of the law’s provisions by OMB.

The following is a list of programs included in Section 256 (they are discussed in greater detail below):

• student loans under Title IV-B and IV-D of the Higher Education Act;
• Medicare;
• community and migrant health centers, Indian health services and facilities, and veterans’ medical care;
• Child Support Enforcement;
• federal pay;
• federal administrative expenses;
• Unemployment Compensation; and
• Commodity Credit Corporation.

Student Loans23

Special sequestration rules (Section 256(b)) apply to federal student loans made under the William D. Ford Federal Direct Loan (DL) program during the period when a sequestration order is in effect. Origination fees on DL program loans made during a period of sequestration must be increased by the uniform percentage specified in the sequestration order.24 Loan origination fees are calculated as a proportion of the loan principal borrowed and are deducted proportionately from each disbursement of the loan proceeds to the borrower. The origination fee helps offset the costs of federal loan subsidies.

23 This section was prepared by David Smole, dsmole@crs.loc.gov, 7-0624.
24 Sections 251A(8) and 256(b) of BBEDCA. The William D. Ford Federal Direct Loan (DL) program is authorized under Title IV, Part D of the Higher Education Act of 1965 (HEA), as amended. BBEDCA, § 256(b) references federal student loans made under HEA, Title IV, Part B and Part D, during the period when a sequestration order is in effect. With the enactment of the SAFRA Act, part of the Health Care and Education Reconciliation Act of 2010 (HCERA; P.L. 111-152), student loans are no longer being made under HEA, Title IV, Part B (the Federal Family Education Loan (FFEL) program). As such, the special rule applies only to student loans made under HEA, Title IV, Part D (i.e., DL program loans).
Four types of federal student loans are made under the DL program: Subsidized Stafford Loans, Unsubsidized Stafford Loans, PLUS Loans, and Consolidation Loans. In general, for DL program loans made on or after July 1, 2010, the origination fee on Subsidized Stafford Loans and Unsubsidized Stafford loans is 1%, and the origination fee on PLUS Loans is 4%. The Department of Education does not currently charge an origination fee on Consolidation Loans.

Under a sequestration order applicable to direct spending programs, origination fees on DL program loans made during the sequestration period would be required to be increased by the uniform percentage amount. For instance, if the uniform percentage was 10%, it appears that origination fees would be increased to 1.1% on Subsidized Stafford Loans and Unsubsidized Stafford Loans; and to 4.4% on PLUS Loans.

Medicare
Enacted in 1965, the Medicare program provides hospital and supplementary medical insurance to Americans age 65 and older and to disabled persons, including those with end-stage renal disease. Medicare enrollment has increased from 19 million in 1966 to about 50 million beneficiaries in FY2012. CBO estimates that by 2022, the number of Medicare enrollees will increase by about a third, to almost 67 million.

Medicare consists of two parts financed through separate trust funds. Hospital Insurance (Part A) pays health care providers for inpatient care that beneficiaries receive at hospitals; it also pays for care at skilled nursing facilities, some home health care, and hospice services. Supplementary Medical Insurance (Parts B and D) pays for physicians’ services, outpatient services at hospitals, home health care, and outpatient prescription drugs. (Payments to private insurance plans under Part C are financed by a blend of funds from the two trust funds.) Medicare is administered by the Centers for Medicare & Medicaid Services (CMS), within the Department of Health and Human Services (HHS).

CBO estimates that in FY2012 gross Medicare outlays will total $575.7 billion. Most of this spending (about 99%) is comprised of mandatory spending that is primarily used to cover benefit payments (i.e., payments to health care providers for their services). CBO projects that spending on Medicare benefits will increase from $555.9 billion in FY2012 to about $1 trillion in FY2022, an annual growth rate of 7%.

About 0.5% of Medicare mandatory outlays are used for administrative purposes, such as funding quality improvement organizations, certain activities against fraud and abuse, and payments of

25 For additional information on DL program loans, see CRS Report R40122, Federal Student Loans Made Under the Federal Family Education Loan Program and the William D. Ford Federal Direct Loan Program: Terms and Conditions for Borrowers, by David P. Smole.
26 This section was prepared by Patricia Davis, pdavis@crs.loc.gov, 7-7362.
Part B premiums for Qualifying Individuals. A small portion of Medicare spending is discretionary (about $6.3 billion in FY2012). This portion is used almost entirely for program management activities, such as payments to contractors to process providers’ claims, funding for beneficiary outreach and education, and the maintenance of Medicare’s information technology (IT) infrastructure.

Sequestration Rules for Medicare

Section 256(d) of BBEDCA contains special rules for the Medicare program in case of a sequestration. However, while BBEDCA ordinarily limits reduction of certain Medicare spending to 4% under a sequestration order (which would apply in the case of a Statutory PAYGO sequestration), the BCA limits the size of this reduction to 2%.

As stated earlier, if sequestration occurs all nonexempt programs must be reduced by a uniform percentage. This percentage is calculated by OMB, based on the necessary amount of spending reduction that must occur overall. Under a sequestration triggered by the BCA, if the uniform percentage is less than 2%, it will be applied to all nonexempt accounts, including Medicare. If the percentage is greater than 2%, then a 2% reduction will be made in Medicare spending, and the uniform reduction percentage for the remaining programs will be recalculated and increased by the amount necessary to achieve the total level of reductions needed. If sequestration were triggered by Statutory PAYGO, the process would be the same but Medicare sequestration would be limited to 4%.

Under sequestration, Medicare’s benefit structure would generally remain unchanged (i.e., beneficiaries would not see a change in their Medicare coverage). Additionally, spending for certain Medicare programs and activities are exempt from sequestration and would therefore not be reduced under a sequestration order. These include (1) Part D low-income subsidies; (2) the Part D catastrophic subsidy; and (3) Qualified Individual (QI) premiums.

For payments made under Medicare Parts A and B, the percentage reductions are to be made to individual payments to providers for services (e.g., hospital and physician services). In the case of Parts C and D, reductions are to be made to the monthly payments to the private plans that administer these parts of Medicare. Reductions are to be made at a uniform rate and are not to exceed 2%. In the case of inpatient services, the services are considered to be furnished from the inpatient facility. For services paid on a reasonable cost basis, the reduction is to be applied to payments for such services incurred at any time during each cost reporting period during the sequestration period, for the portion of the cost reporting period that occurs during the effective period of the order. For Part B services provided under assignment, the reduced payment would be considered payment in full and the Medicare

30 The Qualifying Individual Program (QI) is one of the Medicare Savings Programs and covers the Part B premium for eligible individuals. To be eligible for the QI program, one must be entitled to Medicare Part A, have an income of at least 120% of the Federal Poverty Level (FPL) but less than 135% of FPL with resources not exceeding twice the limit for SSI eligibility, and not be otherwise eligible for Medicaid benefits. Mandatory funding is provided through 2012.

31 See CRS Report R40425, Medicare Primer, coordinated by Patricia A. Davis for an overview of the Medicare Part D benefit.

32 Most providers are paid under a prospective payment system or fee schedule. Some types of providers, such as Critical Access Hospitals, are paid on a reasonable cost basis under which payments are based on actual costs incurred. Reasonable cost is defined at Social Security Act § 1861(v).

33 Assignment is an agreement by a doctor, provider, or supplier to be paid directly by Medicare, to accept the payment (continued...)
beneficiary would not pay higher copayments to make up for the reduced amount. CBO estimates that Medicare benefit spending will be reduced by about $99.3 billion over the nine-year sequestration period.34

Section 256(d) of the BBEDCA specifies that the Secretary may not take into account any reductions in payment amounts under sequestration for purposes of computing any adjustments to Medicare payment rates, including the Part C growth percentage, the Part D annual growth rate, and the determination of Medicare Part D risk corridors.35 In other words, annual provider and plan payment updates may be determined as if the reductions under sequestration had not taken place.

**Special Considerations Regarding Medicare**

The budgetary baseline that must be used in implementing a sequestration has special implications with regard to Medicare. For direct spending, the baseline is to be calculated by assuming that the laws providing or creating direct spending will operate in the manner specified, and that funding for entitlement authority is adequate to make all required payments.36

Specifically, CBO’s projections of Medicare spending incorporate the assumption that Medicare spending will be constrained beginning in 2013 by the sustainable growth rate (SGR) mechanism used to calculate the fees paid for physicians’ services.37 Under current law, those fees will be reduced by about 31% beginning in January 2013 and by additional amounts in subsequent years. If future legislation overrides the scheduled reductions, as has happened every year since 2003, then spending for Medicare will be greater than the amounts projected in the baseline. CBO estimated a 10-year cost of freezing payments at current levels at close to $300 billion for 2012-2021; if payments were increased by a medical inflation factor, the cost could be even higher.38

It is also unclear how reductions under sequestration will affect or be affected by the operations of the Independent Payment Advisory Board (IPAB).39 The IPAB, established by the Patient Protection and Affordable Care Act (ACA, P.L. 111-148), is responsible for restraining the growth rate of Medicare spending per enrollee. If the growth of such spending is projected to exceed specified targets, the IPAB is required to submit proposals to reduce it, and the Secretary must implement these proposals unless the Congress acts to change them. While CBO’s baseline projections incorporate estimates of potential savings from the IPAB process, it remains to be

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35 Information on Medicare provider payments and the determination of updates may be found in CRS Report RL30526, Medicare Payment Policies, coordinated by Paulette C. Morgan.
36 BBEDCA § 257(b)(1).
37 See CRS Report R40907, Medicare Physician Payment Updates and the Sustainable Growth Rate (SGR) System, by Jim Hahn and Janemarie Mulvey.
39 See CRS Report R41511, The Independent Payment Advisory Board, by Jim Hahn and Christopher M. Davis.
determined (1) whether the target growth rate would be calculated using the expected rate outside of sequestration or under sequestration; (2) whether IPAB would be able to find and recommend additional savings on top of the sequestered amounts; and (3) how savings associated with future reductions under IPAB would factor into the baseline used to determine needed reductions under sequestration.

There have also been some concerns that although Medicare benefits are not to be reduced under sequestration, reductions in provider payments, in addition to reductions already mandated under ACA,40 could discourage some providers from accepting Medicare patients. For instance, the Medicare Trustees have cautioned that reductions to certain providers under ACA may not be sustainable over the long term,41 and the Office of the Actuary for CMS has provided alternative projections assuming that these reductions are gradually phased out beginning in 2020.42 Additionally, there is concern that costs could be shifted to other third-party payers or beneficiaries to make up for the additional decrease in payments. For instance, private payers could see increased costs or Medicare Advantage or Prescription Drug Sponsors could design their plans in future years so that Medicare enrollees pay higher premiums and/or increased cost sharing.

Further, while Section 257 of the BBEDCA specifies that “the receipts and disbursements of the Hospital Insurance Trust Fund shall be included in all calculations,” it does not address how beneficiary Part B premiums would be determined under sequestration. As Part B premiums are based on a percentage of expected Part B spending and such spending would be lower under sequestration, it remains to be determined whether premiums would be adjusted downward to reflect these lower expected costs.

**Health Centers, Indian Health, and Veterans’ Medical Care**

*Health Centers*43

Community and migrant health centers are two types of federally funded health centers: nonprofit entities that receive grants to provide primary care to people who experience financial, geographic, cultural, or other barriers to health care. They are administered by the Health Resources and Services Administration (HRSA) within the Department of Health and Human Services (HHS). In addition to these two types of health centers, HRSA provides grants to support health centers for the homeless and health centers for residents of public housing.

Section 256(e) of BBEDCA limits the amount of funding that can be reduced from community and migrant health centers under a sequestration to 2%. At the time of BBEDCA’s enactment in 1985, there were four separate health center programs administered by HRSA and funded under

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43 This section was prepared by Elayne Heisler, eheisler@crs.loc.gov, 7-4453.
HRSA’s budget account. The Health Centers Consolidation Act of 1996 (P.L. 104-299) combined the four health center programs—community health centers, migrant health centers, health centers for the homeless, and health centers for residents of public housing—into Section 330 of the Public Health Service Act, which receives a single appropriation as part of the HRSA budget. Presumably, therefore, the 2% sequestration limit would now apply to the entire health center account.

The 2% limit applies to discretionary appropriations that the health center program receives under a specified budget account. Health centers will also receive additional mandatory appropriations under the Patient Protection and Affordable Care Act (ACA, P.L. 111-148) from FY2011 through FY2015. While any BCA-triggered reduction in discretionary spending for the health centers program would be subject to the 2% cap, it is unclear whether the mandatory funds for health centers would also be affected by the cap. OMB might decide to include both the discretionary and mandatory funds for health centers under the 2% cap, as both sources of funding are being used for the same program. To that end, it should be noted that the mandatory health center funding is included under HHS budget account (75-0350-0-1-550) in the Administration’s FY2013 budget tables. This is the same budget account used for the discretionary health center funding, and specified in Section 256(e) of BBEDCA.

**Indian Health Service**

The Indian Health Service (IHS) in HHS is responsible for providing comprehensive medical and environmental health services for approximately 1.9 million American Indians and Alaska Natives who belong to 565 federally recognized tribes located in 35 states. Health care is provided through a system of facilities and programs operated by IHS, tribes and tribal groups, and urban Indian organizations. IHS is funded by two budget accounts—Indian Health Services and Indian Health Facilities.

Under Section 256(e) of BBEDCA, sequestration may only reduce funding appropriated to the two IHS accounts by 2% in any fiscal year. However, IHS also receives reimbursements from Medicare, Medicaid, and the Children’s Health Insurance Program (CHIP) for services provided at IHS facilities for beneficiaries eligible for these programs, and in FY2012 and FY2013, IHS will also receive mandatory appropriations for diabetes programs. The mandatory appropriation for the diabetes program is subject to sequestration; however, Section 255 of BBEDCA exempts both Medicaid and CHIP. Special rules apply to sequestration of Medicare (see “Medicare” above).

**Veterans’ Medical Care**

The VA, through the Veterans Health Administration (VHA), operates the nation’s largest integrated direct health care delivery system. Veterans’ medical care is a discretionary program,
and eligibility for VA medical care is based on veteran status,\textsuperscript{50} presence of service-connected disabilities\textsuperscript{51} or exposures,\textsuperscript{52} income,\textsuperscript{53} and/or other factors, such as status as a former prisoner of war or receipt of a Purple Heart.

Under current law, and as originally enacted, Section 256(e) of BBEDCA allows a maximum 2% reduction in budget authority for VA medical care for any fiscal year. However, Section 255 of BBEDCA, as amended in 2010 (P.L. 111-139), specifically excludes from sequestration all programs administered by the VA, which includes veterans’ medical care. This apparent discrepancy between the two sections of the law raised questions about whether VA will be totally exempt from sequestration or whether medical care will be subject to a maximum permissible 2% reduction in budget authority, if sequestration occurs as scheduled on January 2, 2013. On April 23, 2012, OMB issued a letter stating that “all programs administered by the VA, including Veterans’ Medicare Care, are exempt from sequestration under Section 255(b).”\textsuperscript{54}

**Child Support Enforcement\textsuperscript{55}**

The Child Support Enforcement (CSE) program is a mandatory spending program that seeks to enhance the well-being of children by obtaining child support, including financial and medical support, from noncustodial parents through services and activities that locate noncustodial parents, establish paternity, establish child support obligations, and collect and monitor child support payments. The CSE program is a federal-state program, administered by HHS. The federal government reimburses each state for 66% of all expenditures on CSE activities and also provides states with an incentive payment to encourage them to operate effective CSE programs.

Section 256(f) of BBEDCA stipulates that any required reduction in CSE program expenditures or CSE incentive payments must be accomplished by reducing the federal matching rate for state CSE program costs. However, subsequent to enactment of this provision, Section 255 was

\hspace{1cm}(...continued)
amended (in 1997, by P.L. 105-33), and specifically excludes from sequestration Family Support Programs, which include the CSE program.

Federal Pay

In general, for purposes of sequestration, Section 256(g) provides that federal pay under a statutory pay system—the General Schedule (GS), Foreign Service (FS) pay schedule, and Department of Medicine and Surgery at the Department of Veterans Affairs (VA) pay schedule—is subject to reduction in the same manner as other administrative expense components of the federal budget (see “Federal Administrative Expenses,” immediately below). Likewise, elements of military pay are subject to such reduction. Such an order may not, however, reduce or have the effect of reducing the rate of pay an employee is entitled to under the GS, FS, or VA pay systems or any increase in special pay rates authorized by 5 U.S.C. § 5305. The order also may not reduce or have the effect of reducing the rate of any element of military pay an individual is entitled to or any increase in rates of pay authorized by 37 U.S.C. § 1009, or any other provision of law.

The conference report (H. Rept. 99-433) that accompanied the original BBEDCA explained the provision as follows:

The conference agreement provides that rates of pay for civilian employees (and rates of basic pay, basic subsistence allowances and basic quarters allowances for members of the uniformed services) may not be reduced pursuant to a sequestration order. The agreement retains the House position that a scheduled pay increase may not be reduced pursuant to an order and the Federal pay be treated as other components of administrative expenses. The conferees urge program managers to employ all other options available to them in order to achieve savings required under a sequestration order and resort to personnel furloughs only if other methods prove insufficient.

Federal Administrative Expenses

In general, under Section 256(h) of BBEDCA, federal administrative expenses are subject to sequestration, regardless of whether they are incurred in connection with a program, project, activity, or account that is otherwise exempt or subject to a special rule. For example, while Social Security is exempt from sequestration and Medicare is subject to a special rule, the federal administrative expenses associated with these programs are not exempt or limited by special rules. However, Section 256 also states that federal payments to state and local governments that match or reimburse these governments for their administrative costs are not considered “federal administrative expenses” and are subject to sequestration only to the extent that the relevant federal program is subject to sequestration. In other words, if a program is exempt under Section

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56 This section was prepared by Barbara Schwemle, bschwemle@crs.loc.gov, 7-8655.

57 The term “elements of military pay” means the monthly basic pay adjustments for members of the uniformed services authorized by 37 U.S.C. § 1009, allowances provided to members of the uniformed services under 37 U.S.C. §§ 403a and 405, and cadet pay and midshipman pay under 37 U.S.C. § 203(c). The term “uniformed services” means the Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration, and Public Health Service.


59 The statute lists several federal financial services entities that would not be covered by this section (e.g., Comptroller of the Currency, Federal Deposit Insurance Corporation, and others).
255, then federal payments to states for the costs of administering that program also are exempt. (However, certain unemployment compensation payments are not covered by this provision, as noted below.)

Unemployment Compensation

Section 256(i) of the BBEDCA reiterates the exemption from sequestration (provided under Section 255) of federal loans to the states for payment of unemployment benefits. Additionally, Section 256(i) exempts regular unemployment compensation (UC) benefits from sequestration. This exemption is extended to UC for former federal workers (UCFE) and UC for former servicemembers (UCX). Generally, these benefits have a duration of up to 26 weeks and are paid by state unemployment taxes. However, Section 256 specifically does not exempt administrative grants to the states and the federal share of the permanently authorized extended benefit (EB) program from sequestration. States would be required to continue to pay their share of EB payments. If a state’s unemployment insurance law allows it, the state may reduce the EB benefit amount by a percentage that does not exceed the percentage by which the federal share of EB has been reduced. The current authorization of the temporary emergency unemployment compensation (EUC08) benefit ends at the end of calendar year 2012. If the authorization of the EUC08 benefit were extended, the EUC08 benefit would be subject to sequestration unless new legislation directing a different treatment were to be enacted.

Commodity Credit Corporation

The Commodity Credit Corporation (CCC) is the funding mechanism for the mandatory spending of the U.S. Department of Agriculture (USDA) for farm commodity support and certain conservation programs. The CCC is a wholly owned government corporation that has the legal authority to borrow up to $30 billion at any one time from the U.S. Treasury. Its borrowing authority is replenished annually in the Agriculture appropriations bill by a “such sums as are necessary” appropriation. Most spending for these programs was authorized by the 2008 farm bill (P.L. 110-246).

Section 256(j) says that sequestration should not restrict the CCC’s authority to discharge its primary duties. Specifically, it states that commodity loan contracts entered into before the sequestration order shall not be reduced. Section 256 says, though, that loan contracts after the sequestration order shall be reduced. The farm commodity programs have evolved to include other support mechanisms than the loan program, and the loan program is no longer the primary outlay. It is unclear whether the Section 256 special rule applies to any of the more recent farm commodity, conservation, and other programs that are funded by the CCC.

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60 This section was prepared by Julie Whittaker, jwhittaker@crs.loc.gov, 7-2587.
61 This section was prepared by Jim Monke, jmonke@crs.loc.gov, 7-9664.
62 Commodity loans are one part of the farm support program that makes government loans to farmers at farm-bill specified support prices per unit of commodity. Farmers can use these loans as financing to pay their expenses and, if market prices are below the support price, can benefit financially by the difference between the support price and the market price. Outlays of the federal crop insurance program are not funded under the CCC but instead have their own mandatory funding mechanism, addressed in Section 255, that exempts the prior legal obligations of the Federal Crop Insurance Fund from sequestration.
Appendix. Section 255 of the Balanced Budget and Emergency Deficit Control Act, as Amended

SEC. 255. (2 U.S.C. 905) EXEMPT PROGRAMS AND ACTIVITIES.

(a) SOCIAL SECURITY BENEFITS AND TIER I RAILROAD RETIREMENT

BENEFITS.—Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act (42 U.S.C. 401 et seq.), and benefits payable under section 231b(a), 231b(f)(2), 231c(a), and 231c(f) of title 45 United States Code, shall be exempt from reduction under any order issued under this part.

(b) VETERANS PROGRAMS.—The following programs shall be exempt from reduction under any order issued under this part:

All programs administered by the Department of Veterans Affairs.

Special Benefits for Certain World War II Veterans (28–0401–0–1–701).

(c) NET INTEREST.—No reduction of payments for net interest (all of major functional category 900) shall be made under any order issued under this part.

(d) REFUNDABLE INCOME TAX CREDITS.—Payments to individuals made pursuant to provisions of the Internal Revenue Code of 1986 establishing refundable tax credits shall be exempt from reduction under any order issued under this part.

(e) NON-DEFENSE UNOBLIGATED BALANCES.—Unobligated balances of budget authority carried over from prior fiscal years, except balances in the defense category, shall be exempt from reduction under any order issued under this part.

(f) OPTIONAL EXEMPTION OF MILITARY PERSONNEL.—

(1) IN GENERAL.—The President may, with respect to any military personnel account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

(2) LIMITATION.—The President may not use the authority provided by paragraph (1) unless the President notifies the Congress of the manner in which such authority will be exercised on or before the date specified in section 254(a) for the budget year.

(g) OTHER PROGRAMS AND ACTIVITIES.—

(1)(A) The following budget accounts and activities shall be exempt from reduction under any order issued under this part:

Activities resulting from private donations, bequests, or voluntary contributions to the Government.

Activities financed by voluntary payments to the Government for goods or services to be provided for such payments.

Administration of Territories, Northern Mariana Islands Covenant grants (14–0412–0–1–808).
Advances to the Unemployment Trust Fund and Other Funds (16–0327–0–1–600).

Black Lung Disability Trust Fund Refinancing (16–0329–0–1–601).


Claims, Judgments, and Relief Acts (20–1895–0–1–808).

Compact of Free Association (14–0415–0–1–808).

Compensation of the President (11–0209–01–1–802).

Comptroller of the Currency, Assessment Funds (20–8413–0–8–373).

Continuing Fund, Southeastern Power Administration (89–5653–0–2–271).

Continuing Fund, Southwestern Power Administration (89–5649–0–2–271).

Dual Benefits Payments Account (60–0111–0–1–601).

Emergency Fund, Western Area Power Administration (89–5069–0–2–271).


Farm Credit Administration Operating Expenses Fund (78–4131–0–3–351).

Farm Credit System Insurance Corporation, Farm Credit Insurance Fund (78–4171–0–3–351).

Federal Deposit Insurance Corporation, Deposit Insurance Fund (51–4596–0–4–373).


Federal Deposit Insurance Corporation, Senior Unsecured Debt Guarantee (51–4457–0–3–373).

Federal Home Loan Mortgage Corporation (Freddie Mac).


Federal National Mortgage Corporation (Fannie Mae).

Federal Payment to the District of Columbia Judicial Retirement and Survivors Annuity Fund (20–1713–0–1–752).

Federal Payment to the District of Columbia Pension Fund (20–1714–0–1–601).


Federal Reserve Bank Reimbursement Fund (20–1884–0–1–803).

Financial Agent Services (20–1802–0–1–803).


Host Nation Support Fund for Relocation (97–8337–0–7–051).

Internal Revenue Collections for Puerto Rico (20–5737–0–2–806).

Intragovernmental funds, including those from which the outlays are derived primarily from resources paid in from other government accounts, except to the extent such funds are augmented by direct appropriations for the fiscal year during which an order is in effect.


National Credit Union Administration, Central Liquidity Facility (25–4470–0–3–373).

National Credit Union Administration, Corporate Credit Union Share Guarantee Program (25–4476–0–3–376).

National Credit Union Administration, Credit Union Homeowners Affordability Relief Program (25–4473–0–3–371).

National Credit Union Administration, Credit Union Share Insurance Fund (25–4468–0–3–373).

National Credit Union Administration, Credit Union System Investment Program (25–4474–0–3–376).

National Credit Union Administration, Operating fund (25–4056–0–3–373).

National Credit Union Administration, Share Insurance Fund Corporate Debt Guarantee Program (25–4469–0–3–376).

National Credit Union Administration, U.S. Central Federal Credit Union Capital Program (25–4475–0–3–376).

Office of Thrift Supervision (20–4108–0–3–373).

Panama Canal Commission Compensation Fund (16–5155–0–2–602).

Payment of Vietnam and USS Pueblo prisoner-of-war claims within the Salaries and Expenses, Foreign Claims Settlement account (15–0100–0–1–153).

Payment to Civil Service Retirement and Disability Fund (24–0200–0–1–805).

Payment to Department of Defense Medicare-Eligible Retiree Health Care Fund (97–0850–0–1–054).

Payment to Judiciary Trust Funds (10–0941–0–1–752).

Payment to Military Retirement Fund (97–0040–0–1–054).

Payment to the Foreign Service Retirement and Disability Fund (19–0540–0–1–153).

Payments to Copyright Owners (03–5175–0–2–376).

Payments to Health Care Trust Funds (75–0580–0–1–571).
Budget “Sequestration” and Selected Program Exemptions and Special Rules

Payment to Radiation Exposure Compensation Trust Fund (15–0333–0–1–054).
Payments to Social Security Trust Funds (28–0404–0–1–651).
Payments to the United States Territories, Fiscal Assistance (14–0418–0–1–806).
Payments to trust funds from excise taxes or other receipts properly creditable to such trust funds.
Payments to widows and heirs of deceased Members of Congress (00–0215–0–1–801).
Reimbursement to Federal Reserve Banks (20–0562–0–1–803).
Salaries of Article III judges.
Soldiers and Airmen’s Home, payment of claims (84–8930–0–7–705).
Tennessee Valley Authority Fund, except nonpower programs and activities (64–4110–0–3–999).
Tribal and Indian trust accounts within the Department of the Interior which fund prior legal obligations of the Government or which are established pursuant to Acts of Congress regarding Federal management of tribal real property or other fiduciary responsibilities, including but not limited to Tribal Special Fund (14–5265–0–2–452), Tribal Trust Fund (14–8030–0–7–452), White Earth Settlement (14–2204–0–1–452), and Indian Water Rights and Habitat Acquisition (14–5505–0–2–303).
United Mine Workers of America 1993 Benefit Plan (95–8535–0–7–551).
United Mine Workers of America Combined Benefit Fund (95–8295–0–7–551).
Universal Service Fund (27–5183–0–2–376).
Vaccine Injury Compensation (75–0320–0–1–551).
Vaccine Injury Compensation Program Trust Fund (20–8175–0–7–551).
(B) The following Federal retirement and disability accounts and activities shall be exempt from reduction under any order issued under this part:
Black Lung Disability Trust Fund (20–8144–0–7–601).
Central Intelligence Agency Retirement and Disability System Fund (56–3400–0–1–054).
Civil Service Retirement and Disability Fund (24–8135–0–7–602).
Comptrollers general retirement system (05–0107–0–1–801).

Contributions to U.S. Park Police annuity benefits, Other Permanent Appropriations (14–9924–0–2–303).

Court of Appeals for Veterans Claims Retirement Fund (95–8290–0–7–705).


District of Columbia Judicial Retirement and Survivors Annuity Fund (20–8212–0–7–602).

Energy Employees Occupational Illness Compensation Fund (16–1523–0–1–053).

Foreign National Employees Separation Pay (97–8165–0–7–051).


Foreign Service Retirement and Disability Fund (19–8186–0–7–602).


Judicial Officers’ Retirement Fund (10–8122–0–7–602).


Military Retirement Fund (97–8097–0–7–602).


Pensions for former Presidents (47–0105–0–1–802).


Public Safety Officer Benefits (15–0403–0–1–754).

Rail Industry Pension Fund (60–8011–0–7–601).

Retired Pay, Coast Guard (70–0602–0–1–403).

Retirement Pay and Medical Benefits for Commissioned Officers, Public Health Service (75–0379–0–1–551).

Special Benefits for Disabled Coal Miners (16–0169–0–1–601).

Special Benefits, Federal Employees’ Compensation Act (16–1521–0–1–600).

Special Workers Compensation Expenses (16–9971–0–7–601).
(2) Prior legal obligations of the Government in the following budget accounts and activities shall be exempt from any order issued under this part:

- Biomass Energy Development (20–0114–0–1–271).
- Credit liquidating accounts.
- Credit reestimates.
- Employees Life Insurance Fund (24–8424–0–8–602).
- Geothermal resources development fund (89–0206–0–1–271).
- Low-Rent Public Housing—Loans and Other Expenses (86–4098–0–3–604).
- Natural Resource Damage Assessment Fund (14–1618–0–1–302).
- San Joaquin Restoration Fund (14–5537–0–2–301).
- Terrorism Insurance Program (20–0123–0–1–376).

(h) LOW-INCOME PROGRAMS.—The following programs shall be exempt from reduction under any order issued under this part:

- Academic Competitiveness/Smart Grant Program (91–0205–0–1–502).
- Child Care Entitlement to States (75–1550–0–1–609).
- Child Enrollment Contingency Fund (75–5551–0–2–551).
Child Nutrition Programs (with the exception of special milk programs) (12–3539–0–1–605).

Children’s Health Insurance Fund (75–0515–0–1–551).

Commodity Supplemental Food Program (12–3507–0–1–605).

Contingency Fund (75–1522–0–1–609).

Family Support Programs (75–1501–0–1–609).

Federal Pell Grants under section 401 Title IV of the Higher Education Act.

Grants to States for Medicaid (75–0512–0–1–551).

Payments for Foster Care and Permanency (75–1545–0–1–609).

Supplemental Nutrition Assistance Program (12–3505–0–1–605).


Temporary Assistance for Needy Families (75–1552–0–1–609).

(i) ECONOMIC RECOVERY PROGRAMS.—The following programs shall be exempt from reduction under any order issued under this part:

GSE Preferred Stock Purchase Agreements (20–0125–0–1–371).

Office of Financial Stability (20–0128–0–1–376).

Special Inspector General for the Troubled Asset Relief Program (20–0133–0–1–376).

(j) SPLIT TREATMENT PROGRAMS.—Each of the following programs shall be exempt from any order under this part to the extent that the budgetary resources of such programs are subject to obligation limitations in appropriations bills:

Federal-Aid Highways (69–8083–0–7–401).


Operations and Research NHTSA and National Driver Register (69–8016–0–7–401).

Motor Carrier Safety Operations and Programs (69–8159–0–7–401).


Formula and Bus Grants (69–8350–0–7–401).

Grants-In-Aid for Airports (69–8106–0–7–402).

(j) IDENTIFICATION OF PROGRAMS.—For purposes of subsections (b), (g), and (h), each account is identified by the designated budget account identification code number set forth in the Budget of the United States Government 2010–Appendix, and an activity within an account is designated by the name of the activity and the identification code number of the account.
SEC. 256. (2 U.S.C. 906) [excerpt]

(7) EXEMPTIONS FROM SEQUESTRATION.—In addition to the programs and activities specified in section 255, the following shall be exempt from sequestration under this part:

(A) PART D LOW-INCOME SUBSIDIES.—Premium and cost-sharing subsidies under section 1860D–14 of the Social Security Act.

(B) PART D CATASTROPHIC SUBSIDY.—Payments under section 1860D–15(b) and (e)(2)(B) of the Social Security Act.

(C) QUALIFIED INDIVIDUAL (QI) PREMIUMS.—Payments to States for coverage of Medicare cost-sharing for certain low-income Medicare beneficiaries under section 1933 of the Social Security Act.

Author Contact Information

Karen Spar, Coordinator
Specialist in Domestic Social Policy and Division Research Coordinator
kspar@crs.loc.gov, 7-7319

Patricia A. Davis
Specialist in Health Care Financing
pdavis@crs.loc.gov, 7-7362

Elayne J. Heisler
Analyst in Health Services
eheisler@crs.loc.gov, 7-4453

Jim Monke
Specialist in Agricultural Policy
jmonke@crs.loc.gov, 7-9664

Sidath Viranga Panangala
Specialist in Veterans Policy
spanangala@crs.loc.gov, 7-0623

Barbara L. Schwemle
Analyst in American National Government
bschwemle@crs.loc.gov, 7-8655

David P. Smole
Specialist in Education Policy
dsmole@crs.loc.gov, 7-0624

Carmen Solomon-Fears
Specialist in Social Policy
csolomonfears@crs.loc.gov, 7-7306

Julie M. Whittaker
Specialist in Income Security
jwhittaker@crs.loc.gov, 7-2587

Acknowledgments

The coordinator of this report appreciates the helpful comments received from Bill Heniff, Jr., Analyst on Congress and the Legislative Process, and Todd Tatelman, (now former) Legislative Attorney.
SAGE FALL SUMMIT 2011

Goals

- Publicize SAGE and the work of the coalition
- Successful meeting for SAGE members

Location of Events:

NOTE: all locations are circled in red in the map included except for FSM cafe. The Yellow lines demarcate suggested walking paths to get from location to location.

- The group will leave from the Hotel Lobby 15 minutes before the start of each day. Please be there on time—try to be at the lobby 5 minutes before we leave.

Thursday:
- Reception is informal at the hotel bar.

Friday:
- Morning Coffee is FSM Cafe is located at Moffitt Undergraduate Library which is just north of California Hall (see map included in packet).
- Session 1 is at California Hall at the Chancellor’s Conference Room. You will need to check with security at entry. Cal Hall is at the Center of Campus. The only open entrance is on the East side of the Building.
- Lunch is at Crossroads Dining Hall which is part of the Residential Services Building. It is just south of campus on the east side at the corner of Channing St And Bowditch.
- The Summit is at Sutardja Dai Hall in the Banatao Auditorium. The building is on the North East corner of campus. It’s directly above the Peets coffee and part of the Citris Complex.
- The Chancellor’s reception is at his residence at University House located on the center northern edge of campus.

Saturday and Sunday
- All meetings are at the ASUC Senate Chambers on the first floor of Eshleman Hall on the center southern edge of campus.
- Lunch is at crossroads (see above for location)

Getting your compass aligned in Berkeley:
The campus can be really confusing with all of its turns but the following tricks always work:
- If you are looking out and see the water, that’s the SF Bay and you are facing WEST
- If you see BIG hills or the general contour is uphill, you are facing EAST
- Shattuck, oxford (which turns into Fulton) and Piedmont streets run north to south;
- Hearst, University, Center, Alston and Bancroft streets run east to west
General Agenda

Thursday December 1st
7 pm – Cocktail Welcome Reception
10pm – Executive Board Meeting

Friday December 2nd
Group will leave hotel at 8:30am for those of you that want to join us for coffee.
8:45am–9:30am Coffee at Free Speech Movement (FSM) Cafe or on your own
9:30am – 12:00pm SAGE Welcome & Business Session 1
12:00pm – 1:30pm Lunch at Crossroads (Meal Vouchers Provided)
1:30pm – 2:00pm Pre-summit Tea (open to the public)
2:00pm – 5:00pm Summit (open to public)
5:00pm – 7:00pm Chancellor's Reception (by invitation only) and group photo
7:00pm – 8:30pm Beers at Jupiter (across the street from Hotel)
8:30pm – Group Dinner

Saturday December 3rd
Group will leave hotel at 9:00am
9:15am – 10am Coffee, Fruit and Bagel Breakfast / Mingling
10:00am – 12pm SAGE Business Session 2
12:00pm – 1:30pm Lunch at Crossroads (Meal Vouchers Provided)
1:30pm – 3:00pm SAGE Business Session 3
3:30pm – 5:00pm Campus Tour
5:00pm – 7:00pm SAGE Business Session 4
7:30pm – 12:00am Group Dinner (or dinner on your own) and outing

Sunday December 4th
Group will leave at 9:15am
9:30am – 10:00am Coffee, Fruit and Bagel Breakfast
10:00am – 11:00am Sage Business Session 5
11:00am – 12:00am Closing Session/Next steps
12:00pm – 1:00pm Lunch at Crossroads (Meal Vouchers Provided) or on your own
1:00pm–6:00pm Group activity for those that stay later

SAGE Detail of Sessions

Session 1: Friday 9:30am - 12:00pm
1. Welcome - Alberto
2. SAGE History (Organization) - Alberto, Michael, or Daniel?
3. SAGE Advocacy History - Alberto
4. Resolutions - Introduction - Michael (Bylaw changes, things to support, etc)
5. Form Heterogeneous groups - Michael
6. Additional Survey question generation

Summit Program: Friday 2:00pm-5:00pm
1. 2:00-2:15 – Wait given Berkeley time
2. 2:15-2:20 – Introduction of SAGE and Conference
3. 2:20-2:25 – Welcome by Chancellor Birgenau
4. 2:25-2:30 – Introduction of Panel 1 and panelists
5. 2:30-3:15 – Panel 1
6. 3:15-3:30 – Panel 1 Q&A
7. 3:30-3:40 – Short intermission to set up second panel
8. 3:40-3:45 – Introduction of Panel 2 and panelists
9. 3:45-4:30 – Panel 2
10. 4:30-4:45 – Panel 2 Q&A
11. 4:45-4:50 – Closing, adjournment.

Session 2: Saturday 10:00am - 12:00pm
1. Voting on Resolutions
2. Federal Liaison presentation: Current policy issues
3. Governance #1
   a. Panel Discussion using prefab’d questions
   b. SG current and former initiatives presentations (ppt 5min each)
   c. SG Pressing issues (Save for those explicitly on the agenda later)
Heterogeneous group check in

Session 3: Saturday 1:30 - 3:00pm
1. Governance #2
   a. Ideal SG Construction exercise - Michael
   b. Q/A from Surveys (Hard copies will be provided by Michael for all attendees)
   c. Governance Collaboration round-table
      i. Recruitment & Retention
      ii. Transitions
Review of Officer performance July 1, 2011 - December 1, 2011

Session 4: Saturday 5:00 - 7:00pm
1. Heterogeneous groups report
2. Selection of advocacy items for Spring 2012 DOH
3. Groups assigned to work on each item
   a. Assign one campus to lead each item or sub-item
   b. Assign one campus + one officer to oversee whitepaper process
   c. Assign Heterogeneous groups (from summit) to advise and continue to monitor for future updates.

Session 5: Sunday 10:00am - 11:00am
1. Spill-over from previous 4 sessions.

Session 6: SAGE Closing Session 11:00am - 12pm
1. Summit Roundup - Alberto
2. Review Next Steps
3. Schedule Steering Committee meetings for remainder of the year

Food:
- Receptions: Thursday we will provide bar snacks from the hotel lobby. (We are figuring out if we can cover one drink per person). Friday: the chancellor will provide appetizers at his event.
- Breakfasts: Friday Breakfast is on your own since we can’t take food into the Chancellor’s Conference Room. We will have fruit, bagels and coffee provided for you Saturday and Sunday.
- We will provide lunch vouchers for all lunches at the main campus dining hall.
- Dinners: although we are planning on dining out together, each delegation is responsible for their own representatives’ dinner costs.
BACKGROUND ON THE SUMMIT:

This has been another challenging year for higher education in California, especially for the University of California (U.C.) system. On July 14th, the Regents of the U.C. increased tuition by 9.6 percent. Together with a previously approved 8 percent tuition increase committed to earlier this year, revenue from student fees and tuition will cover about one quarter of UC's budget deficit. The remainder is being closed through campus reductions, increasing out-of-state enrollments and administration efficiencies. For the first time, the total amount that University of California students pay in tuition this year will surpass the funding the prestigious public university receives from the state. It is a historic shift for the UC system and part of a national trend that is changing the nature of public higher education.

The UC has been squeezed relentlessly by successive years of declining state financial support. Over the past four years, UC's state appropriation has fallen by 27.1 percent, from $3.25 billion in fiscal year 2007-08 to $2.37 billion in fiscal year 2011-12. All of this occurred after Sacramento approved a state budget that cut UC's funding by $650 million. The UC's budget will most likely be reduced $100 million later this year as state revenues are projected to fall short of projections.

Considering the “state of the state”, Berkeley’s Graduate Assembly believes this is an opportune moment to convene a Summit regarding strategies to ensure a stable revenue source and prioritization of higher education funding in California and nationwide. The current trend representing an unprecedented shift towards greater student support of higher education is both economically and socially unsustainable.

The Summit will bring together key leaders in State government, academics, and members of the University of California administrative and student leadership to participate in this discussion.
BACKGROUND ON THE SAGE CONFERENCE:

The Graduate Assembly is hosting the Summit in conjunction with a national conference for Student Advocates for Graduate Education (SAGE). The SAGE Conference will bring together student leaders from the most competitive and influential public institutions in the country. SAGE is a four-year old organization focused on 1) sharing information on student and university governance and 2) working together to affect improvements to higher education policy at a national level. The SAGE Conference will focus on effective lobbying strategies, outreach to legislators, development of a SAGE mission statement and constitution, and the election of new leadership.

HIGHER EDUCATION SUMMIT AGENDA:
Date: December 2, 2011, 2:00pm – 5:00pm Location: Banatao Auditorium, Sutardja Dai Hall

Explanation of Summit and Intro of Chancellor by Alberto Ortega, External Affairs Vice President of the Graduate Assembly

Opening Remarks by Chancellor Robert Birgeneau, U.C. Berkeley

Panel 1 - Jobs: The Role of the Public University and the State
Moderator: Andrew Szeri, Graduate Dean, U.C. Berkeley

Panelists:
David Dornfeld, Professor, U.C. Berkeley
Jeff Gibeling, Graduate Dean, U.C. Davis
Bonnie Reiss, U.C. Regent

Panel 2 - The Federalization of the State University
Moderator: Henry Brady, Dean of Berkeley’s Goldman School of Public Policy

Panelists:
John Wilton, Vice Chancellor, U.C. Berkeley
Nancy Skinner, CA Assemblywoman
Robert Shireman, Former Deputy Undersecretary of Education
Robert Birgeneau, U.C. Berkeley Chancellor

Closing Remarks by Associate Chancellor Linda Williams, U.C. Berkeley
SAGE Summit at UCB-Bios of Speakers

From UCB:

**Chancellor Robert Birgeneau**

Robert J. Birgeneau is the ninth chancellor of the University of California, Berkeley. An internationally distinguished physicist, he is a leader in higher education and is well known for his commitment to diversity and equity in the academic community.

Before coming to Berkeley, Birgeneau served four years as president of the University of Toronto. He previously was Dean of the School of Science at the Massachusetts Institute of Technology, where he spent 25 years on the faculty. He is a fellow of the U.S. National Academy of Sciences, the Royal Society of London, the American Philosophical Society and other scholarly societies. He has received many awards for teaching and for his research on the fundamental properties of materials.

A Toronto native, Birgeneau received his B.Sc. in mathematics from the University of Toronto in 1963 and his Ph.D. in physics from Yale University in 1966.

**Dean Andrew Szeri**

Andrew Szeri has been the Dean of the Graduate Division of UC Berkeley since July 2007, and a Professor of Mechanical Engineering at UCB since 2003.

His current research interests include fluid dynamics and applied mathematics: especially convective-diffusive transport, nonlinear dynamics, perturbation methods, control theory, bifurcation theory, knot theory; applications to transport processes in bubbles, ultrasound in medicine, shock wave lithotripsy, computational neuroscience, and anti-HIV microbicides. Szeri has received many awards and honors over the years for his teaching and research, most recently he became an Elected Fellow of the Acoustical Society of America.

Szeri received his B.S. from the University of Pittsburgh and his MS and Ph.D. from Cornell University.

**Associate Chancellor Linda Williams**

Linda Williams has been the Associate Chancellor for the University of California, Berkeley since 2008. As a Senior Advisor to Chancellor Robert J. Birgeneau and a member of his Cabinet, Williams serves as a lead strategist and has a broad level of authority to represent the
Campus with constituencies such as faculty, senate committee chairs, senior administrators, other UC locations, Office of the President, public agencies and the community. Williams has administrative oversight for the offices of Government & Community Relations, Audit and Advisory Services, the Staff Ombuds Office, and has been given broad responsibility for oversight and coordination of the campus’ ethics and compliance requirements through the newly established Office of Ethics, Risk and Compliance Services. Prior to joining the Berkeley campus, Williams served as Associate President for the University of California Office of the President from 2003-2008 and began her service to the UC at the University of California, San Diego (UCSD) in 1988.

Williams has received numerous honors throughout her career, including being honored by CityFlight Media Network as One of the Ten Most Influential African Americans in the bay area.

Vice Chancellor John Wilton
John Wilton has been the UC Berkeley’s Vice Chancellor for Administration & Finance since February 1st, 2011. Before coming to Berkeley, Wilton was a managing director and the director of international research for Farallon Capital Management LLC. He was also an advisor on developments in the global economy to Hellman and Friedman LLC.

As the Vice Chancellor-Administration & Finance, Wilton is responsible for managing the Berkeley’s annual operating budget the continuing design and implementation of Operational Excellence, stabilization of the campus budget, and establishment of a sustainable financial model for the future.

A British national, Wilton received his B.A. and M.A. degrees from Sussex University. He left his Ph.D. program at Cambridge University in 1982 to join the World Bank’s Young Professionals Program.

AMP Spokesperson and MechE Chair, David Dornfeld

David Dornfeld received his B.S., M.S. and Ph.D. degrees in Mechanical Engineering from the University of Wisconsin-Madison in 1976 in the area of Production Engineering. His Ph.D. thesis concerned the study of the fundamentals of the mechanical pulping process (abrasive machining). He joined the faculty of the University of California at Berkeley in the Mechanical Engineering Department in 1977 and is presently Professor of Manufacturing Engineering. Since July 1, 1999 he holds the first Will C. Hall Family Chair in Engineering. He currently serves as the Chair of Mechanical Engineering Department. He served as Associate Dean for
Dr. Dornfeld leads the Laboratory for Manufacturing and Sustainability - LMAS (lmas.berkeley.edu) with research activities in several fields of manufacturing engineering - green and sustainable manufacturing. He writes a blog on green manufacturing at http://green-manufacturing.blogspot.com/.

Dean Henry Brady

Henry E. Brady is Dean of the Goldman School of Public Policy and Class of 1941 Monroe Deutsch Professor of Political Science and Public Policy at the University of California, Berkeley. He received his PhD in Economics and Political Science from MIT in 1980. He has written on electoral politics and political participation, social welfare policy, political polling, and statistical methodology, and he has worked for the federal Office of Management and Budget and other organizations in Washington, D.C. He is president of the American Political Science Association, past president of the Political Methodology Society of the American Political Science Association, and director of the University of California's Survey Research Center from 1998 to 2009.

From UC Davis:

Dean Jeffrey Gibeling

Jeffery C. Gibeling has been Dean of Graduate Studies since 2002 and holds a faculty appointment in the chemical engineering and materials science department, where he still runs his lab.

Gibeling served as a member of the Commission on the Future of Graduate Education in the United States and is a current member of a the New Commission to Study Pathways through Graduate School and into Careers in collaboration with the Council of Graduate Schools.

When asked about the path that led him to Graduate Studies, Gibeling says it started when he checked the "Graduate Council" box on the annual call for volunteers from the Academic Senate Committee on Committees more than a decade ago. He spent nearly five years on the Graduate Council, including over one year as its chair. He then served as executive associate dean of Graduate Studies. Gibeling has also served as chair of the Academic Senate, which oversees all aspects of academic life at UC Davis, and of which the Graduate Council is a standing committee.
Others:

**Former Deputy Undersecretary of Education, Robert Shireman**

Robert M. Shireman is the previous Deputy Undersecretary at the U.S. Department of Education. Shireman played a leading role in the Obama Administration's efforts to simplify the federal financial aid application process, to strengthen program integrity and consumer protection, to develop strategies to increase college completion, and to improve the reliability and reach of federal grants, loans and other college aid.

In the 1990s, he worked for President Clinton and U.S. Senator Paul Simon (Illinois). At the White House National Economic Council, Shireman led the effort to create the GEAR UP college preparation program, and he coordinated the America Reads campaign. In 2009, Shireman was president of a California-based nonprofit, the Institute for College Access and Success, which he built from the ground up, raising funds and building a professional staff. Shireman is currently California Competes chief consultant. California Competes seeks to promote public support for higher education, rethink the roles of public and private colleges, and help the state produce more graduates in high-demand fields.

Shireman earned his B.A. from the University of California at Berkeley, and M.A.’s from the University of San Francisco and the Harvard Graduate School of Education.

**Assemblymember Nancy Skinner**

Nancy Skinner is a member of the California State Assembly from California's 14th Assembly District. She has served as a member of the East Bay Regional Park Board, Ward 1 since 2006. Skinner was a member of the Berkeley City Council from 1984 to 1992, becoming the first and only UC Berkeley student to serve on the Council. During her term Skinner was responsible for many of Berkeley's groundbreaking environmental policies, such as Berkeley's environmental economic development strategy and waterfront protection policies that led to the establishment of Eastshore State Park.

A nationally renowned leader in the fight against global warming, Skinner founded ICLEI-Local Governments for Sustainability, an organization dedicated to helping local governments around the world become environmental leaders.

Skinner received a B.S. from the University of California, Berkeley and earned a M.A. from the UC Berkeley School of Education. As a UCB student, she was a leader in the Anti-Apartheid Movement, and a founder of ASGE, the Union of Graduate Student Employees.
Regent Bonnie Reiss

Bonnie Reiss has been a UC Regent since March 2008 and was appointed by then Governor Schwarzenegger. She is also the Chief Executive Officer of BMR Consulting, specializing in strategic advice in the areas of education, the environment and issues impacting women. She served as the California Secretary of Education from 2006-07. She was a member of the California State Board of Education from 2003-06. Reiss served as senior advisor to Governor Arnold Schwarzenegger from 2003 to 200. From 1994 to 2003, Reiss served as founding president of the Inner-City Games Foundation, later renamed After School All-Stars.

Ms. Reiss is on the board of directors for After School All-Stars and Maria Shriver's Women's Nation Foundation. In 2007, Ms. Reiss received the William S. White Lifetime Achievement Award from the U.S. Department of Education for her advocacy in the area of public education and, in 2006; she received the Advocate of the Year Award from the University of California Student Association.

Reiss received her B.B.A. from the University of Miami and her J.D. from Antioch Law School.

General Topics:

Federalization

*Do we need dedicated federal funds to save public higher education? How would it work, what are the pros and cons, and how would it affect the nature of the public education system? Is this a stable and effective way to address the limits of state provided funding?*

Most likely: a quick synopsis of how federal funds flow to universities (research, financial aid, etc) and to talk about current trends with these sources of funding (are they expected to decline?)

*Discussion of the Chancellor’s federalization plan… Please see attached Washington Post op-ed … Discussion of feasibility, especially around funding mechanisms and whether the federal government should have more influence. i.e. consider the ways that the federal and state governments could partner to provide funding to public universities such as a form of matching grant…if we move towards more federal funding, should that affect admissions policies and out of state tuition costs?*

Potential: Discussion of private/public partnership idea
Jobs

What role do public universities play in the economy and what state policies impacting public universities encourage or hinder economic growth? What concrete changes can be made to turn around our current trajectory? If state universities continue shrink financially, what would this mean for state economies in the long term?

What state policies are working, which are failing?

What changes can we make to encourage an economic stimulus?

How can the University help the State draft effective policy?

Are the jobs available and the training provided by the University in line with each other?

Please see attached PDFs with data on job rates and graduate school impact

Additional information outside of included PDFs:
Rising Above the Gathering Storm & Update
http://www.nap.edu/openbook.php?record_id=11463&page=1
http://www.nap.edu/openbook.php?record_id=12999&page=1
Rescuing Our Public Universities

By Robert J. Birgeneau and Frank D. Yeary
Sunday, September 27, 2009

Almost 150 years ago, in an effort to better serve a growing nation, President Abraham Lincoln signed the Morrill Land Grant Act, which gave struggling states federal land with which they could generate revenue to build colleges. The result of that bold action is a national resource: a structure for higher education that is admired, and copied, around the globe in places such as Japan, Germany and Canada. We are the only country to have both private and public universities of world renown. Sadly, this amalgam of great public and private research and teaching universities is at risk as economically struggling states progressively disinvest in public higher education.

Our private and public research and teaching universities have contributed greatly to American prosperity. Public universities by definition teach large numbers of students and substantially help shape our nation. The top 10 publics have more than 350,000 undergraduate students. By comparison, the eight Ivies educate less than a sixth of that number. Public universities with strong state support have an admirable cross-section of ethnically and economically diverse students. In essence, their student bodies look like America. They are the conduits into mainstream society for a huge number of highly talented people from financially disadvantaged backgrounds, as well as the key to the American dream of an increasingly better life for the middle class.

Yet over several decades there has been a material and progressive disinvestment by states in higher education. The economic crisis has made this a countrywide phenomenon, with devastating cuts in some states, including California. Historically acclaimed public institutions are struggling to remain true to their mission as tuitions rise and in-state students from middle- and low-income families are displaced by out-of-state students from higher socioeconomic brackets who pay steeper fees. While America is fortunate to have many great private universities, we do not need to add to the list by privatizing Berkeley, Illinois, Rutgers, etc. On the contrary, we need to keep our public research and teaching universities excellent and accessible to the vast majority of Americans.

Given the precarious condition of state finances, we propose that President Obama emulate President Lincoln by creating a 21st-century version of the Morrill Act.

Specifically, the federal government should create a hybrid model in which a limited number of our great public research and teaching universities receive basic operating support from the federal government and their respective state governments. Washington might initially choose a representative set of schools, perhaps based on their research achievements, their success in graduating students, commitment to public service and their record in having a student body that is broadly representative of society.
Washington would provide sufficient additional funding for operations and student support to ensure broad access and continued excellence at these universities. A portion of these resources would ensure that out-of-state and in-state students pay the same tuition and have access to the same financial aid packages. The combined federal-state funding must be sufficient for these universities to maintain their preeminence as well as charge moderate fees to all U.S. citizens and permanent residents.

Philanthropy must continue to be an important resource. To ensure stability, the federal government should agree to match, at a rate of 2-to-1, and the state government at 1-to-1, private endowment funds raised by these public universities for 10 years. If such a public-private partnership raised private philanthropy of $150 million per year, the university would have $6 billion contributed toward a new endowment at the end of 10 years. The payout from this new federal-state endowment would provide operating and other support such as need-based scholarships and would essentially secure excellence and access for a generation.

As with any daring scheme, the devil is in the details. This proposal for a national federal-state university system may require new models of financial governance that include federal and state oversight. This proposal would require these universities to accept a more diverse geographic mix of students, with perhaps fewer students from their own state. Yet such problems are solvable, if there is a will. The great benefit to all states, particularly those that do not yet have internationally acclaimed public universities, would be the opportunity for residents to attend other flagship state universities without paying out-of-state fees.

The need for an alternative model to preserve the public character of our great universities is increasingly urgent. This is one model, but there may be other, and more attractive, options. Simply put, no matter what the form, we must take some radical steps if we are to preserve the public character of America's great public universities.

The Morrill Act was passed during the darkest days of the Civil War by a bold president and farsighted members of Congress. Even in perilous times they recognized the irreplaceable value of a well-educated populace for the country's economic and democratic future. Today's political leaders would be just as right in making a similar investment in America's future.

Robert J. Birgeneau and Frank D. Yeary are, respectively, the chancellor and vice chancellor of the University of California at Berkeley.

View all comments that have been posted about this article.

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Economic Impact
The University of California generates $46.3 billion in annual economic activity for California and contributes $32.8 billion to the gross state product, according to an economic impact report produced by Economic & Planning Systems Inc. That’s a strong return on investment for the state’s foundational investment of $3.35 billion* for UC activities.

UC commissioned the independent study—the first conducted systemwide since 2003—to examine state and regional impacts of spending at UC’s 10 campuses, five health centers and other entities. The report highlights UC’s value to the public.
UC's 10 campuses, five health centers and other entities leverage significant additional non-state revenue, making economic contributions to all regions of California. The impact ranges from $5.8 million in Inyo-Mono to $13.2 billion in the San Francisco Bay Area.

Key findings:

UC brings in about $8.5 billion in annual funding from outside the state, including $7.2 billion from the federal government. This leveraging of California-based funds with out-of-state money is critical to UC’s educational, research and public service missions. Every $1 from California sources (governmental and private) is supplemented with roughly $2.27 in out-of-state funds, much of it from the federal government.
UC Health—UC’s five academic medical centers and 16 health professional schools—plays a major role in the university’s economic contribution to California, generating about 117,000 jobs in the state, $12.5 billion in contribution to gross state product and $16.7 billion in economic activity. This is the first report to isolate the economic contributions of the UC Health enterprise.

38%

UC HEALTH’S SHARE OF UC’S OVERALL ECONOMIC CONTRIBUTION TO GROSS STATE PRODUCT

$16.7 BILLION

UC HEALTH-GENERATED ECONOMIC ACTIVITY IN STATE OF CALIFORNIA

$12.5 BILLION

UC HEALTH’S CONTRIBUTION TO THE GROSS STATE PRODUCT

ONE HUNDRED SEVENTEEN THOUSAND JOBS UC HEALTH GENERATES IN THE STATE
An investment in UC pays dividends beyond what can be measured in its spending impact. The report did not examine some of the more complicated effects that add to UC’s total economic impact such as spinoff companies created by UC research, tax revenue generated by UC activities and economic contributions of UC alumni. Those topics may be the subject of future research.
WHAT’S AT STAKE

State investment in UC plays a foundational role. The economic impact report concluded that every $1 reduction in state funding to UC has the potential to reduce the state’s economic output by $2.10. The actual results would be larger—this analysis only includes the effect of reduced state appropriation, not resulting impacts on UC’s other revenue sources and California’s economic competitiveness as a whole.
Graduate Education and the Public Good
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A strong link exists between U.S. graduate education, the production of knowledge, and economic and social prosperity. The United States needs a cadre of highly skilled leaders and experts in a variety of fields to address current and future challenges. Increasingly, graduate school is where future professionals obtain the knowledge and skills needed to solve big, complex problems. But fundamentally, graduate education is about people. This report tells the stories of people with graduate degrees from U.S. universities and why their education matters to them and the nation.

The benefits of graduate education extend beyond the economic realm; graduate education also plays a central role in producing an educated citizenry that can promote and defend our democratic ideals. Scholarly educated at the graduate level in such fields as science, mathematics, humanities, arts, and social sciences are critically important to our quality of life and the cultural and social fabric of society.

For the past 50 years, U.S. graduate education has been the jewel in the crown of the American system of education, attracting top domestic and international students by creating dynamic programs that foster scholarship, research, and scientific discovery. In the past decade, 62 percent of Nobel Prize winners in chemistry, physics, medicine, and economics received their graduate degrees in the United States.

The success of U.S. graduate education has not gone unnoticed by other countries and their governments. Elsewhere in the world, significant investments are being made in graduate education as part of national economic development strategies. Although the long-term implications of such investments are not entirely clear, we know that the quality of U.S. graduate education must be sustained for our nation to continue to prosper in the 21st century.

Recent reports and public policy that addressed enhancing U.S. competitiveness and innovation recognized the value of graduate education. The National Academies’ landmark report, *Rising Above the Gathering Storm*, recommended increasing the number of U.S. citizens pursuing graduate study in areas of national need by funding 5,000 new graduate fellowships each year. The America COMPETES Act, signed into law in August 2007, included many of the report’s recommendations in support of graduate study at the master’s and doctoral levels.

This report, *Graduate Education and the Public Good*, illustrates how a world-class graduate education system has benefited this nation and the world. It tells the stories of real people who obtained graduate degrees in the United States and have since made important contributions at the local, state, national, and international levels.

The report documents these exemplars’ contributions to our collective good across a broad range of sectors and fields. It examines how graduate education is connected to the following:

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**Executive Summary**

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COUNCIL OF GRADUATE SCHOOLS
Creating the workforce for the new global economy
Conducting groundbreaking research
Facilitating technology transfer
Developing entrepreneurs and innovators
Preparing future college and university faculty
Developing leaders for business, nonprofit, and government sectors
Preparing the K–12 teacher workforce
Establishing new start-ups that create jobs
Strengthening communities through social action
Promoting public health initiatives
Enhancing society through arts, humanities, and social sciences

Additionally, this report recognizes the contributions that international students have made to the prosperity of the United States. In 2006-2007, there were a quarter of a million international students pursuing graduate degrees in this country, comprising 16 percent of all graduate students. More important, many international students remain in the United States after they complete their studies, starting companies that create jobs or contributing to the public good in other ways. Those who return to their home countries often assume leadership positions and maintain connections with the United States, fostering positive diplomatic relations and enhanced understanding.

The report concludes with a call for a renewed “social contract” between universities and the public that recognizes the special role played by graduate education in enhancing our quality of life. The companion document, titled Making a Difference, includes hundreds of examples of graduate degree holders who were nominated by Council of Graduate Schools (CGS) member institutions based on significant contributions they have made to the public good.

The new global competition for talent places increasing importance on maintaining a world-class graduate education system. As noted by author and professor Richard Florida, “For decades, the U.S. has succeeded at attracting and growing talented people because of its creative ecosystem—a densely interwoven fabric of institutions, individuals, and economic and social rights. Attracting people does not just happen; it depends on the care and feeding of the organizations and people that make up the ecosystem.”