

Legislative Bulletin.....December 21, 2010

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Motion to Concur with the Senate Amendment to H.R. 5116—America COMPETES Reauthorization Act of 2010

Conservative Concerns to H.R.5116

- ***Overspending:*** \$46 billion is still almost double the cost of the original House passed version of the COMPETES Act in 2007 and a \$6.5 billion increase over the 2010 baseline budget. This does not take into account the approximately \$5 billion more spent under the “stimulus.” Conservatives have expressed concern that this substantial increase is unwise at a time when we are running \$1.3 trillion annual deficits.
- ***Bloated Bureaucracy:*** The 2007 COMPETES Act enacted approximately forty new programs; H.R. 5325 adds ten new programs – including a “green jobs” program.
- ***Costly Clusters:*** The bill still contains a loosely defined regional innovation cluster program to facilitate market development through marketing and brand-building. This could amount to hundreds of millions of taxpayer funding for subsidized advertising and business development costs for any sort of industry “cluster”– Wall Street, Hollywood, summer and winter vacation destinations, Silicon Valley, even oil and gas clusters.
- ***Further Federal Involvement in Education:*** Washington D.C. should reduce its involvement in issues involving primary and secondary education. In the last half-century federal involvement in education has dramatically increased. Meanwhile our academic standing has declined in comparison to many of our international rivals.

For more details on these conservative concerns on the COMPETES Act, see below.

Motion to Concur in the Senate Amendment to H.R. 5116—America COMPETES Reauthorization Act (*Gordon, D-TN*)

Order of Business: The bill is scheduled to be considered on Tuesday, December 21, 2010, under a closed rule.

Major Changes: Earlier this year, the House considered the America COMPETES Act several times on the House Floor. A summary of the original legislative bulletin for H.R. 5116 can be

[seen here](#). On Sunday night, the Senate passed a similar version of the bill by unanimous consent. While the new bill authorizes half the original House proposal, the overall conservative concerns on the legislation remain. The Senate Amendment does sunset several existing programs at the Department of Education and the Department of Energy. However, the bill also creates at least ten new programs.

While a complete CBO score is unavailable, total authorizations in the bill are approximately \$46 billion over a three year period. However, \$45 billion is still almost double the cost of the original House passed version of the COMPETES Act in 2007 and a \$6.5 billion increase over the 2010 baseline budget. The “stimulus” also contained an additional \$5 billion for COMPETES Act programs at NIST, the NSF, and DOE.

The bill does not include several major changes to the bill made by a Republican Motion to Recommit during House consideration of H.R. 5116. The bill does NOT contain language prohibiting funds to be used to pay the salary of any individual who has been officially disciplined for violations of the Standards of Ethical Conduct for Employees of the Executive Branch for viewing, downloading, or exchanging pornography, including child pornography, on a federal government computer or while performing official federal government duties.

Summary: Totalling approximately \$46 billion in authorizations, the bill would reauthorize the America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education, and Science Act or the America COMPETES Act originally signed into law in 2007. This law passed the House by a vote of [367 – 57](#) and the Senate by unanimous consent. A detailed summary of the bill that passed the House earlier this year can be viewed by [clicking here](#).

Background Information: The [American COMPETES Act of 2007](#) was signed into law by former President George W. Bush in August of 2007 and is set to expire on September 30, 2010. The America COMPETES Act organizes programs recommended by the [National Academies](#) and the [Council on Competitiveness](#) to promote education in science, technology, engineering, and mathematics from elementary to graduate school and postdoctoral education. The program increases research investment in certain science and math related areas.

Conservative Concerns: Some conservatives have expressed concern that the reauthorization of the COMPETES Act exemplifies the priorities of House Democrats - to quickly move budget busting bills in a partisan manner. Democrats bring to the floor legislation that throws money at ineffective programs and hastily enacts new programs that increase the size and scope of the federal government.

Some conservatives have expressed concern over the cost and dramatic expansion of existing programs authorized compared to the original COMPETES Act. While H.R. 5325 reduces the authorization levels to approximately \$46 billion over three years, some conservatives have expressed concern that this is still a substantial increase over appropriated levels and it is an unwise increase in authorization levels at a time when we are running \$1.5 trillion annual deficits. Additionally, the 2007 COMPETES Act enacted approximately forty new programs; this version of the COMPETES Act creates additional programs. It can be argued that these programs duplicate the objective of various other federal programs to make the U.S. more globally competitive in STEM education results.

Some conservative have expressed concern that the COMPETES Act dramatically expands the federal scope of involvement in education. The bill establishes STEM education goals and

objectives at the Department of Energy. Some conservatives would argue that the Department of Education has done very little to improve the quality of education and this bill now authorizes a whole new bureaucracy to get involved in this issue.

Some conservatives have also expressed concern over the establishment of Regional Innovation Clusters because it allows federal funding for activities well beyond research and development (i.e. advertising) with language so broad that nearly any type of industry sector could be awarded a “cluster” grant.

According to the [Brookings Institution](#), which originally conceived this program, “clusters” can be organized around traded goods or services anywhere along the supply chain, from final goods and services to intermediate goods, to distribution chains, and research and development centers. In addition, they can develop from a large variety of reasons, ranging from proximity to natural resources to concentrations of ethnic minorities. Some conservatives have expressed concern these definitions are so broad that a cluster could essentially amount to anything, and additionally, the bill allows ‘clusters’ to use taxpayer funds for marketing activities. Most conservatives believe that the thought of publically funding advertisements for firms on Wall Street, Hollywood, Silicon Valley, vacation destinations, colleges, and countless other businesses based in a centrally located area is an extreme waste of taxpayer funding.

Committee Action: None.

Groups in Favor: U.S. Chamber

Groups Opposed: National Taxpayers Union

Administration Position: While a Statement of Administration Policy (SAP) for this version of the COMPETES act is unavailable, the White House did release a SAP for H.R. 5116 and announced it “supports House passage of H.R. 5116, as reported by the House Science and Technology Committee.”

Cost to Taxpayers: A complete CBO score for the bill is unavailable at press time. The CBO score on the Senate Amendment to H.R. 5116 only evaluates direct spending and fails to provide an analysis of discretionary spending in the bill. However, it is the RSC staff’s understanding that the bill authorizes \$46.1 billion over three years.

Does the Bill Expand the Size and Scope of the Federal Government? Yes, the bill establishes several new programs at the National Science Foundation, National Institute of Science and Technology, and Department of Energy.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates? No.

Does the Bill Contain Any Federal Encroachment into State or Local Authority in Potential Violation of the 10th Amendment? Yes, the bill reauthorizes several existing spending programs that affect the role of local education agencies to provide primary and secondary education programs. For example, one program redistributes federal funds for the purpose of facility modernization. Another program exists to assist with the acquisition of school supplies. Additionally, some of the programs authorized under H.R. 5116 could have an impact on the curricula development at local school districts.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits? No House committee report is available and this requirement does not exist for Senate bills.

Constitutional Authority: Senate bills do not require statements of constitutional authority and there is no accompanying committee report to the House bill.

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