



# FEDERAL UPDATE

The Report on Congressional & Administration Activities  
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## WASHINGTON UPDATE

Congress returned to Washington, DC the week of April 24, following a two-week recess. Congress is now focused on completing action on the Fiscal Year (FY) 2017 budget. The federal government is currently operating on a Continuing Resolution (CR), which expires on May 5. Additional information about the FY 2017 and FY 2018 budgets, as well as UC's advocacy efforts, is included below.

In early April, the University of California (UC) Office of Federal Governmental Relations (FGR) hosted its annual federal governmental relations representatives meeting and welcomed campus representatives from across the system, as well as Lawrence Berkeley National Laboratory and UC Office of the President, to Washington, DC.

On April 7, the Senate confirmed the nomination of Neil Gorsuch to be an associate justice of the Supreme Court of the United States. Fifty-four senators voted in favor and 45 voted against the nomination, with Sen. Dianne Feinstein (D-CA), a member of the Judiciary Committee, and Sen. Kamala Harris (D-CA) voting against. Justice Gorsuch was sworn into office on April 10.

In April, the university launched a coordinated advocacy campaign to highlight its research enterprise and the importance of federal and state investments in research. Additional information about the federal efforts are included below.

## BUDGET AND APPROPRIATIONS

### Fiscal Year 2017 Budget Update

On May 1, congressional leadership released details of an FY 2017 omnibus appropriations bill. The federal government has been operating under a series of CRs since the start of the fiscal year on October 1. Congress is expected to take up the legislation in advance of the current CR expiring on May 5.

The approximately \$1 trillion bipartisan agreement includes up to \$15 billion in new military spending and a \$1.5 billion increase for border security.

### **Higher Education and Student Financial Aid**

The FY 2017 omnibus appropriations bill funds the Department of Education (ED) at \$68 billion, and after accounting for a \$1.3 billion rescission from the Pell Grant surplus (now being called the “reserve”), the net cut is \$1.1 billion below the FY 2016 enacted level.

The discretionary funding provided for **Pell Grants** will support a base award of \$4,860, which with the available mandatory funding, will raise the maximum grant to \$5,920. This is the same level as FY 2016.

UC is very pleased that the omnibus appropriations bill reinstates **year-round Pell Grants**, which could mean an additional Pell grant averaging \$1,650 for more than one million students across the country. The bill instructs ED—before July 1, 2017—to implement this provision “to maximize flexibility for institutions of higher education and avoid unnecessary administrative burdens while ensuring the best interests of students.” UC has been a strong supporter of the reinstatement of year-round Pell Grants. In November, UC President Janet Napolitano joined with UC Student Association leadership in writing a [letter](#) to members of the California congressional delegation to urge support for the reinstatement of year-round Pell Grants. President Napolitano also [led an effort with the California Community Colleges and California State University System](#) in calling for the reinstatement.

The following programs are funded at the same levels as in FY 2016:

- **Supplemental Educational Opportunity Grants (SEOG)**, \$733 million;
- **Federal Work-Study**, \$990 million;
- **Title VI, International Education**, \$72 million;
- **Aid for Hispanic Serving Institutions**, \$117 million; and
- **Teacher Quality Partnerships**, \$43 million.

The **Graduate Assistance in Areas of National Need (GAANN)** program is cut by \$1 million, to \$28 million and the **Institute for Education Sciences (IES)** is cut by \$13 million to \$605 million.

The following programs will receive increases for the academic year 2017-18:

- \$950 million for **TRIO**, \$50 million above the 2016 enacted level;
- \$340 million for **GEAR UP**, \$17 million above FY 2016; and
- \$108.5 million for the **Office for Civil Rights**, \$1.5 million more than FY 2016.

The bill includes \$1.6 billion for the **Student Aid Administration**, which is an increase of \$25 million for ED to maximize the efficiency and effectiveness of the student aid programs. The funding is accompanied by a caveat this year, directing the secretary to assign new loan accounts to loan servicers based on their performance and on their capacity to take on new and existing accounts, and to allow student loan borrowers who are consolidating federal loans to select from the servicer they want to handle their loans. The department is also directed to release common performance metrics to borrowers to them inform their servicer-selection decisions.

**The National Endowment for the Arts and the National Endowment for the Humanities** each received an increase of \$2 million and are funded at \$149.85 million for FY 2017.

## **Research**

The omnibus appropriations bill includes the following research highlights:

- \$2 billion National Institutes of Health (NIH) increase for FY 2017 (including \$352 million for the Cures Act programs) is the most significant win for academic research in federal appropriations this year.
- While defense science and technology programs are boosted by \$760 million, the 6.1 program that funds basic defense research suffered a \$33 million cut.
- National Nuclear Security Administration (NNSA) weapons activities are increased by \$471 million.
- The National Aeronautics and Space Administration (NASA) Science Mission Directorate received a \$176 million increase.
- Despite the Trump administration's calls to eliminate Advanced Research Projects Agency-Energy (ARPA-E), the program received a \$15 million increase over FY 2016 funding levels.
- Most other federal extramural research programs were held relatively flat or had modest cuts, including National Science Foundation (NSF), U.S. Department of Agriculture (USDA) National Institute Of Food And Agriculture (NIFA), National Oceanic and Atmospheric Administration (NOAA) Office of Oceanic and Atmospheric Research (OAR), Defense 6.1 basic research, Department of Energy Office of Science and Homeland Security Science and Technology.

### **National Institutes of Health (NIH)**

The FY 2017 omnibus budget agreement provides \$34.084 billion for NIH, an increase of \$2 billion, or 6.2 percent, above the federal funding level enacted in 2016. This includes \$352 million for the 21st Century Cures Act. UC has routinely requested that NIH funding levels be predictable and robust. A \$2 billion increase in NIH funding will help UC retain talented biomedical researchers, including many early career researchers who depend upon a steady stream of robust NIH funding.

The bill also provides for the following funding increases of interest to UC:

- \$260 million for the Brain Research through Advancing Innovative Neurotechnologies (BRAIN) Initiative, an increase of \$50 million;
- \$1.39 billion for Alzheimer's disease research, an increase of \$400 million;
- \$5.7 billion for the National Cancer Institute, an increase of \$475.8 million; and
- \$320 million for the Precision Medicine Initiative, an increase of \$120 million.

**U.S. Department of Agriculture (USDA) National Institute of Food and Agriculture (NIFA)** programs were funded at \$1.363 billion, which is \$36.4 million more than in FY 2016. These extramural research, extension and integrated activities programs were held roughly flat, except for \$375 million for the competitive Agriculture and Food Research Initiative program, a \$25 million increase over last year.

**National Aeronautics and Space Administration (NASA)** is funded at \$19.65 billion, a \$368 million increase over FY 2016. NASA Space Exploration received \$4.3 billion (+\$294 million), and the Science Mission Directorate is funded at \$5.765 billion, a \$176 million increase. Also important to UC, the Space Grant College and Fellowship Program was flat funded at \$40 million.

**National Science Foundation** is relatively flat funded at \$7.47 billion, an \$8.7 million increase over FY 2016. No less than \$15 million was provided for a Hispanic Serving Institutions (HSI) program, and \$30 million was provided for the I-Corps program. The final bill contained no directorate level funding instructions.

**National Oceanic and Atmospheric Administration (NOAA)** is funded at \$5.675 billion, which is a \$90 million cut below FY 2016, but \$95 million more than the House bill. The Office of Oceanic and Atmospheric Research (OAR) is funded at \$477.7 million, a \$15.7 million increase above FY 2016. OAR Climate Research (\$158 million) and other ocean observing programs important to UC are roughly flat funded.

**Department of Defense (DOD) Research** is funded at \$73.7 billion, \$72.3 billion in the base bill and \$1.4 billion from Overseas Contingency Operations (OCO). The total is \$3.7 billion above FY 2016. Highlights include:

- **6.1-6.3 Science and Technology programs:** \$14.01 billion, a \$760 million increase above FY 2016. Defense basic research (6.1) is funded at \$2.276 billion, a \$33 million cut (1.4 percent) below FY 2016. The 6.2 and 6.3 research accounts received 5.8 percent and 8.4 percent increases, respectively.
- **Defense Advanced Research Projects Agency (DARPA)** is funded at \$2.939 billion, a \$48 million increase above FY 2016.
- **Defense Medical Research** is funded at \$1.014 billion, which is \$137 million below FY 2016.

**Department of Energy (DOE) Office of Science:** \$5.392 billion, which is \$42 million above FY 2016.

- **Energy Innovation Hubs:** \$24.1 million is provided for the Batteries and Energy Storage Hub run by Argonne National Lab (LLNL and LBNL are partners), and \$15 million is provided for the Fuels from Sunlight Innovation Hub run by Cal Tech (LBNL, UC Irvine, UC Berkeley and UC San Diego are partners).
- **BioEnergy Research Centers:** \$75 million is provided for the three BioEnergy Research Centers, including LBNL's Joint BioEnergy Institute.

**Advanced Research Projects Agency-Energy (ARPA-E)** is funded at \$306 million, which is \$15 million over FY 2016.

**National Nuclear Security Administration (NNSA) Nuclear Weapons and Nonproliferation** is funded at \$9.3 billion for nuclear weapons activities, \$471 million more than in FY 2016. The bill also provides \$1.9 billion for nonproliferation activities to reduce the threat of nuclear terrorism, which is \$38 million below FY 2016.

#### **Computer Science and Computational Resources**

- **The Lawrence Berkeley National Laboratory National Energy Research Scientific Computing Center** is funded at \$92 million.
- **Exascale Computing:** \$295 million total, including \$164 million in the Advanced Scientific Computing Research Program, and \$95 million for the NNSA Advanced Simulation and Computing program. The total is \$42 million above FY 2016.

**Department of Homeland Security, Science and Technology Directorate:** Research, Development and Innovation programs are funded at \$430.2 million, a \$4.6 million cut below FY 2016. University Programs received \$40.5 million, an \$800,000 increase over FY 2016.

**US Geological Survey (USGS):** \$1.085 billion, which is \$23 million above FY 2016. Several USGS programs, though relatively small, are of importance to UC campuses and the UC Division of Agriculture and Natural Resources (UCANR):

- **Earthquake Hazards Program:** \$64.3 million, a \$3.8 million increase above FY 2016. Of this amount, \$10.2 million is included to continue development of the Earthquake Early Warning System. UC campuses and other California universities are instrumental in this work.
- **Global Seismographic Network (GSN):** \$6.653 million, which is \$200,000 above FY 2016.
- **Water Resources Research Institutes (WRI):** \$6.5 million (flat funding) for WRIs, including the California Institute for Water Resources, which is part of UCANR.
- **Climate and Land Use Change, and Climate Science Centers:** The bill provides \$149.3 million for Climate and Land Use Change programs, including Arctic research, Landsat 9, and the Land Remote Sensing program. Climate Science Centers are funded at \$25.335 million, \$1.1 million less than in FY 2016.

## Health

**Healthcare Workforce Development and Training:** The spending bill includes funding for workforce training for nurses and physicians who practice in underserved areas by appropriating a total of \$538.7 million for Title VII (physician workforce) and VIII (nurse workforce) programs. Of this sum, \$309.2 million is earmarked for Title VII workforce training in FY 2017 as compared to an extra 1 percent that was enacted in FY 2016 in the amount of \$312.4 million. Congress has kept funding for Title VIII workforce training relatively flat in FY 2017 at \$229.4 million.

**Agency for Healthcare Research and Quality (AHRQ):** The omnibus appropriations bill provides \$324 million AHRQ. This is 3 percent below the enacted FY 2016 funding level of \$334 million. AHRQ's mission includes producing evidence to make health care safer and of higher quality, as well as more accessible, equitable and affordable. UC's five academic medical centers are beneficiaries of AHRQ advances.

**Centers for Disease Control and Prevention (CDC):** The omnibus spending bill prioritizes disease prevention, as requested by UC system. The budget agreement would appropriate \$7.25 billion to the CDC programs. This funding is nearly flat over the FY 2016 enacted funding level of \$7.23 billion.

**National Institute for Occupational Safety and Health (NIOSH) Education and Research Centers (ERCs):** The omnibus provides \$29 million for the National Institute for Occupational Safety and Health (NIOSH) Education and Research Centers (ERCs). This represents a slight increase over the FY 2016 enacted level of \$28.5 million.

**NIOSH Agriculture, Forestry and Fishing Program (AFF):** The omnibus appropriates \$25.5 million for the AFF Program. This is a slight increase over the FY 2016 enacted level of \$25 million.

### **Fiscal Year 2018 Budget Update**

In March, President Trump introduced his FY 2018 [budget blueprint](#), which would break the principle of parity in funding between defense and non-defense discretionary programs that was established by the Budget Control Act (BCA) of 2011. Independent of the blueprint, defense and non-defense discretionary spending caps would fall in FY 2018 under current law. After two years of partial relief enacted under the Bipartisan Budget Act of 2015, the full impact of the lower BCA sequestration caps returns for FY 2018. New changes to the underlying BCA budget law would have to be enacted to alter the overall FY 2018 discretionary spending cap (\$1.064 trillion), and to revise the caps for the defense and non-defense categories as proposed by the President.

The White House is expected to send its full budget request to Congress in May.

### **Budget and Appropriations Advocacy**

In March, UC sent its [FY 2018 appropriations priorities](#) to all members of the California congressional delegation and also followed up urging support of a number of Dear Colleague letters that aligned with UC's priorities. Additional information about UC's priorities and the letters can be found in [last month's report](#).

On April 6, a [multisociety letter](#), coordinated by the American Association for the Advancement of Science (AAAS) and signed by hundreds of organizations, was sent to congressional leadership urging them to complete action on the FY 2017 appropriations and reject the cuts proposed in the FY 2018 budget blueprint. The UC system signed the letter.

On April 13, UC shared with the California congressional delegation a [recent analysis](#) by the Chronicle of Higher Education that found that UC leads the nation in producing Ph.D.s in the arts and humanities. UC also used the opportunity to highlight the need for strong and sustained funding for the National Endowment for the Arts and the National Endowment for the Humanities, which, under the proposed blueprint, would be eliminated.

FGR continues to advocate, in partnership with our campus and lab colleagues, for the university's research, education and health care priorities throughout the budget and appropriations processes. For additional information, please contact Marjorie Duske at [Marjorie.Duske@ucdc.edu](mailto:Marjorie.Duske@ucdc.edu) or 202-974-6306; Carolyn Henrich at [Carolyn.Henrich@ucdc.edu](mailto:Carolyn.Henrich@ucdc.edu) or 202-974-6308; or Julie Clements at [Julie.Clements@ucdc.edu](mailto:Julie.Clements@ucdc.edu) or 202-974-6309.

## **CONGRESSIONAL LEGISLATIVE ACTIVITY**

### **House Republicans Strive to Achieve Consensus on Health Care Legislation**

While on a two-week recess in April, leaders of the House Republicans' Tuesday Group and Freedom Caucus sought to collaborate on developing legislative options to revive the American Health Care Act (AHCA) so it may garner enough Republican votes to pass the House.

The latest amendment to the AHCA, known as the MacArthur Amendment, would permit states to apply for limited waivers to opt out of the Affordable Care Act's (ACA) standards, including those that mandate health plans provide ten categories of essential health benefits and comply with a requirement — called community rating — that forbids insurers from charging different prices to people who are the same age. Under the MacArthur Amendment, states could charge

people of the same age higher health care premiums on the basis of their health status. While the MacArthur Amendment would in name maintain the ban on denying people insurance coverage based on pre-existing conditions, the effect of permitting insurers to charge people varying rates would likely result in prohibitively costly premiums for less healthy persons, thereby effectively denying them health care coverage. Also, the latest proposal would force states that opt out of the community rating rules to establish “high-risk pools” through which people priced out of the private market could purchase coverage. Prior to passage of the Affordable Care Act (ACA), several states tried unsuccessfully to establish high-risk pools that would allow less healthy people to purchase health care coverage.

The current AHCA proposal includes legislation that would cut Medicaid spending by nearly \$900 billion over the next ten years through elimination of the Medicaid expansion and restructuring Medicaid delivery, each of which are of concern for UC. For additional information, please contact Julie Clements at [Julie.Clements@ucdc.edu](mailto:Julie.Clements@ucdc.edu) or 202-974-6309.

### **Campus Accountability and Safety Act**

On April 5, legislation to combat sexual assault on college campuses—to protect students and strengthen institutional transparency and accountability—was reintroduced by a bipartisan group of Senators, led by Sens. Claire McCaskill (D-MO), Kirsten Gillibrand (D-NY) and Dean Heller (R-NV). [S. 856](#), the Campus Accountability and Safety Act (CASA), would require campuses to designate sexual assault response coordinators to assist survivors of sexual harassment, domestic violence, dating violence, sexual assault and stalking. These coordinators would manage support services and accommodations for survivors, at the direction of the survivors. Identical legislation ([H.R. 1949](#)) was introduced in the House of Representatives by Reps. Carolyn Maloney (D-NY) and Pat Meehan (R-PA).

The bills would require all schools to use a uniform process for campus student disciplinary proceedings; set minimum training standards for on-campus personnel; require a biennial survey to get an accurate assessment of the problem; and require colleges and universities to enter into memoranda of understanding with local law enforcement agencies to delineate responsibilities and share information when crimes occur.

These provisions are similar to earlier versions of the legislation that were pending in previous Congresses. The new version retains stiff fines for Clery Act violations, increasing from the current \$35,000 per violation to \$150,000; and sets the penalty for non-compliance with the provisions of the overall bill at “up to one percent of the institution’s operating budget.” The financial penalties collected from universities in violation would be distributed back to campuses through a competitive grant program, administered by the secretary of education, to research the best ways to prevent and respond to sexual violence and sexual assault.

The University of California has a zero tolerance policy for sexual violence and sexual assault, and views the issue of sexual violence and sexual assault on colleges and universities as a matter of national importance. The university supports efforts to address these issues and is already in compliance with the provisions of the bills as introduced.

For additional information, please contact Carolyn Henrich at [Carolyn.Henrich@ucdc.edu](mailto:Carolyn.Henrich@ucdc.edu) or 202-974-6308.

## **Education Legislation Update**

Many bills are being developed and introduced in the House and Senate that would amend the Higher Education Act (HEA), and there is an expectation—as Congress moves toward reauthorizing the HEA—that the individual bills would be consolidated into a final package. UC is closely monitoring reauthorization of the HEA.

The following are three bills of note:

### **The POST GRAD Act**

Rep. Judy Chu (D-CA) will soon reintroduce the Protecting Our Students by Terminating Graduate Rates that Add to Debt, or POST GRAD Act, which is a proposal UC supports. (The version introduced in the 114<sup>th</sup> Congress is available online [here](#).)

In 2011, graduate students lost eligibility for Federal Direct Subsidized Loans, which allowed them to defer interest accumulating while they continued their graduate studies. Now, unlike their undergraduate counterparts, graduate students must pay this interest on their loans, which can cost a student thousands of additional dollars over the life of the loan.

The POST GRAD Act would restore the eligibility of graduate students to borrow subsidized loans.

### **Perkins Loan Extension**

Reps. Mark Pocan (D-WI) and Elisa Stefanik (R-NY) have developed legislation to extend the Perkins Loan Program for two years, allowing time for debate on how to amend the program during an official reauthorization of the HEA.

UC is a strong supporter of the Perkins Loan Program and wants eligible institutions to be able to use funds from our campus revolving accounts to continue making these low-income loans available to our neediest students.

UC has communicated to Reps. Pocan and Stefanik, and several members of the California delegation, its support for the legislation. The bill is generating an enthusiastic response from other institutions and organizations, even before it is formally introduced.

The Perkins Loan Program has not received new federal funds in more than a decade, yet UC was able to make loans totaling \$25 million to financially needy students from its revolving funds in 2015-16. Institutions have provided significant matching funds to this program over the years, which demonstrates our commitment to helping our students, and this “buy-in” has helped keep the revolving funds available for future students.

As the legislation moves forward, we will try to ensure—in addition to being able to continue to make Perkins Loans from revolving funds—that institutions can also retain the flexibility to target students who have the greatest financial need, including graduate students. Without Perkins Loans, many of our students would have to borrow more or work additional hours outside of school, which could affect their academic success.

## Income-Sharing Agreements

Sens. Marco Rubio (R-FL) and Todd Young (R-IN) have reintroduced [S. 268](#), the Investing in Student Success Act, legislation that would create a new higher education financing option called “income share agreements” (ISAs). Supporters view ISAs as an innovative and affordable way for students to finance their education without the further use of taxpayer dollars.

ISAs are arrangements where individuals or organizations (including for-profit companies) cover tuition and fees for a student, who then agrees to pay back a percentage of his/ her income for a fixed number of years upon graduation. The share of income and number of years the student makes payments vary by arrangement. The terms can differ by institution and can vary by other factors, such as the student’s major. The implications for students who leave school before graduation will also vary by arrangement.

UC does not believe ISAs offer a feasible solution for all students, and has concerns about the arrangements. For example, programs like this can be discriminatory to students based on risk factors such as their projected earning power of their majors, the family income profile of their institution or other subjective factors that could be used as eligibility criteria. ISAs are effectively loans against future earnings, and these plans could lead to a significant increase in debt among students, particularly if they change majors or career paths. Further, these programs could require costly infrastructure investments to collect and manage payments, and ISA proposals could lead to reduced public support for higher education, leaving college accessibility—which should be a public goal—to private entities.

For additional information about the education-related legislation, please contact Carolyn Henrich at [Carolyn.Henrich@ucdc.edu](mailto:Carolyn.Henrich@ucdc.edu) or 202-974-6308.

## POLICY AND REGULATORY UPDATE

### **Federal Research Indirect Costs – The National Institutes of Health**

Criticisms of indirect cost reimbursements for federally funded research have recently been raised – particularly as relates to the National Institutes of Health (NIH). In Congressional testimony, Department of Health and Human Services Secretary Tom Price defended the President’s FY 2018 budget proposal to cut NIH by \$6 billion: “About 30 percent of the grant money that goes out is used for indirect expenses, which as you know means that money goes for something other than the research that’s being done.”

No formal proposal to eliminate indirect cost recovery for federal research grants has yet been released. However, Secretary Price’s statements that these expenses are not legitimate research costs must be taken seriously, and we anticipate an elimination proposal to be included in the Trump Administration’s FY 2018 Budget Request in May.

UC FGR, working with UC Office of the President, campuses and other stakeholders, will continue to defend the concept of fair reimbursement for the indirect costs of federally sponsored research at UC and other research universities. For more information, please contact Marjorie Duske at [Marjorie.Duske@ucdc.edu](mailto:Marjorie.Duske@ucdc.edu) or 202-974-6306.

### **Data Retrieval Tool**

In mid-March, the U.S. Department of Education (ED) and the Internal Revenue Service (IRS) jointly released a statement saying that they “decided to temporarily suspend the Data Retrieval

Tool (DRT) as a precautionary step following concerns that information from the tool could potentially be misused by identity thieves.”

The DRT, which automatically fills in certain tax data from an applicant’s tax return when students file the Free Application for Federal Student Aid (FAFSA), is an improvement to the financial aid application process that ED instituted five years ago. Filing a FAFSA is required for students to apply for federal financial aid, and for borrowers to apply for or renew their eligibility for income-based repayment plans.

The DRT has been saving time and effort for more applicants than ever before. This year, with the use of “prior-prior” year data—where people use data from tax forms filed in 2015—many more people were expected to use the DRT to make their filing easier.

Students can still file FAFSAs without the DRT, but they have to transcribe tax information from their old returns or order tax transcripts from the IRS (which can take several weeks), so it is a far slower process. In addition, FAFSAs completed without using the DRT are more likely to be selected for “verification,” which further slows the process because applicants must submit additional paperwork to prove that their tax information is accurate.

On April 24, ED announced changes to the FAFSA application process in response to significant concerns expressed by institutions, students and families regarding the DRT suspension. Effective immediately, colleges and universities can accept a signed 2015 tax return in lieu of using the IRS DRT, or an IRS transcript. If families were not required to file a 2015 income tax return, they will have to attest to that fact and provide documentation of their income for 2015. ED stated that the DRT is expected to be down until the fall.

For additional information, please contact Carolyn Henrich at [Carolyn.Henrich@ucdc.edu](mailto:Carolyn.Henrich@ucdc.edu) or 202-974-6308.

### **CMS Issues Final Rule to Stabilize ACA State Marketplaces**

On April 18, the Centers for Medicare and Medicaid Services (CMS) published a [final rule](#) in the Federal Register seeking to stabilize state health care marketplaces established through the Affordable Care Act (ACA). The final rule would shorten the 2018 Annual Open Enrollment Period from three months to six weeks, so it more closely aligns with the enrollment periods characteristic of the Medicare and group health insurance private market. The final rule strives to promote integrity by requiring individuals to submit supporting documentation for special enrollment periods and seeks to ensure that only those who are eligible can enroll. Furthermore, the final rule aims to promote continuous insurance coverage by allowing issuers to require individuals to pay back past due premiums before enrolling into a plan with the same issuer the following year.

Of significant concern to UC, the final rule would allow issuers actuarial value flexibility in the health plans they sell. UC worries issuers will be driven to offer less costly “skinny” health plans that offer little in the way of depth or breadth of health insurance coverage. Additionally, the final rule returns oversight of health insurance exchange network adequacy to states. UC supported regulations stemming from the ACA that gave the Health and Human Services secretary oversight of health plans’ network adequacy, thereby ensuring a common floor of network

adequacy required of health plans across the United States. For additional information, please contact Julie Clements at [Julie.Clements@ucdc.edu](mailto:Julie.Clements@ucdc.edu) or 202-974-6309.

### **CMS Issues Medicare Hospital Payment Rule**

On April 28, the Centers for Medicare and Medicaid Services (CMS) published in the Federal Register a [proposed rule](#) regarding Inpatient Prospective Payment System (IPPS)/Long-Term Care Hospital Prospective Payment System (LTCH PPS) that would update 2018 Medicare payment rates and policies covering patients admitted to acute care and long-term care hospitals. The proposed rule seeks to relieve regulatory burdens for health care providers, support the patient-physician relationship and promote transparency, flexibility and innovation in health care delivery.

In addition to offering Medicare payment and policy proposals, CMS used the FY 2018 IPPS/LTCH PPS proposed rule to release a Request for Information, soliciting feedback on ways it may achieve transparency, flexibility, innovation, and simplification in the Medicare program.

UC is evaluating the Medicare IPPS/LTCH PPS proposed rule to assess how the proposed payment rules and policies will affect Medicare patients at UC's five academic medical centers.

CMS has released a [fact sheet](#) highlighting major policy provisions in the proposed rule. For additional information, please contact Julie Clements at [Julie.Clements@ucdc.edu](mailto:Julie.Clements@ucdc.edu) or 202-974-6309.

## **ADVOCACY UPDATE**

### **Federal Investment in Research Campaign**

With the release of the President's FY 2018 budget blueprint, ongoing negotiations around the FY 2017 budget, as well as interest around the science marches, the University of California launched a coordinated campaign to highlight its research enterprise and the importance of federal and state investments in research. The campaign started in early April and is part of UC's continuing focus on expanded advocacy and engagement opportunities around research investment that will take place throughout the spring advocacy season.

At the federal level, the campaign focuses on the need for robust investments in federal research funding. FGR developed a [federal research advocacy toolkit](#) with talking points, background information and other research advocacy-related materials. These were shared with all campus government relations directors and others across the system as a tool to build upon, tailor and localize for ongoing advocacy efforts.

FGR also worked closely with UC's marketing and communications and state government relations offices to develop, through the recently launched UC Advocacy Network (UCAN), a [call-to-action campaign](#) that allows university advocates to write to their members of Congress and express support for the federal investment in research. The effort launched on April 18 with a message to UCAN advocates, calling on them to take action. The campaign was also shared widely at the system and campus levels, and is still currently active.

## **UC Student Advocacy**

### *UC Student Association (UCSA)*

UCSA, the official voice of more than 260,000 undergraduate, graduate and professional students from all ten UC campuses, sponsored an advocacy trip to Washington April 3 – 6, focusing on the federal investment in student financial aid and protection of undocumented students on college campuses. The delegation included students from UC Santa Cruz, UC Davis and UC Merced, along with UCSA leadership. They met with staff in more than two dozen congressional offices. The group also met with non-elected officials at the Consumer Financial Protection Bureau (CFPB), Young Invincibles and the Institute for College Access and Success (TICAS).

### *U.S. Student Association (USSA)*

Organized by USSA, the National Student Power Summit was held in Washington, DC March 31 – April 3. USSA is the oldest and largest student group in the country; currently, the USSA president is a UC Riverside alum and the vice president is a graduate of UC Santa Barbara. The Summit provided its student delegates with issue updates, advocacy training and Capitol Hill visits. The advocacy focus was on student loan reform, Pell Grant funding and immigration issues around protecting undocumented students.

For additional information about the UC student advocacy activities, please contact Carolyn Henrich at [Carolyn.Henrich@ucdc.edu](mailto:Carolyn.Henrich@ucdc.edu) or 202-974-6308.

## **FEDERAL CAMPUS ENGAGEMENT**

- On April 11, Rep. **John Lewis** (GA-5) was awarded the UCLA Medal and delivered the fifth annual Winston C. Doby Distinguished Lecture at **UCLA**.
- On April 17, Rep. **Salud Carbajal** (CA-24) held a town hall meeting at **UC Santa Barbara**, discussing the environment, higher education and immigration issues.
- On April 18, Rep. **Scott Peters** (CA-52) met with medical students and toured the Medical Education - Telemedicine (MET) building at **UC San Diego**.
- On April 18, Rep. **Mark DeSaulnier** (CA-11) and Rep. **Kathy Castor** (D-FL) toured **Lawrence Berkeley National Laboratory** and discussed their work to advance sustainable solutions for energy and transportation.
- On April 20, Rep. **Susan Davis** (CA-53) hosted a National Institutes of Health (NIH) town hall at **UC San Diego**. Rep. Davis featured NIH research programs of great importance to UC San Diego and the university system.
- On April 20, Rep. **Darrell Issa** (CA-49), Rep. **Scott Peters** (CA-52) and Rep. **Susan Davis** (CA-53) spoke at a veteran's entrepreneurs event at **UC San Diego**, hosted by the Office of Innovation and Commercialization/Research Affairs.
- On April 20, Rep. **Doris Matsui** (CA-6) introduced former Sen. **Alan Simpson** (WY-R) at the final Matsui Lecture, hosted by the Robert T. Matsui Center for Politics and Public Service at **UC Berkeley**.
- On April 21, Rep. **John Garamendi** (CA-3) delivered the keynote address at the grand opening of the new International Center at **UC Davis**.
- On April 26, **David Walker**, director of the Office of Technology, and Master Chief Petty Officer **Matthew Matteson**, command master chief, Office of Naval Research (ONR), visited the **UC San Diego Scripps Institution of Oceanography**. Margaret Leinen, vice

chancellor for marine sciences, provided an overview of Scripps' Navy-related research, briefed on the Navy academic fleet and Scripps ship operations, and met with ONR-funded researchers and toured their respective labs.

**Federal Update**  
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