



FEDERAL UPDATE

The Report on Congressional & Administration Activities
2017, Issue 5

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WASHINGTON UPDATE

On May 3, both the House and Senate passed [H.R. 244](#), the Consolidated Appropriations Act, 2017, which President Donald Trump signed into law on May 5. On May 23, President Trump released his Fiscal Year (FY) 2018 Budget Request, which followed the release of his FY 2018 Budget Blueprint in March. University of California (UC) Office of Federal Governmental relations (FGR) compiled a [summary of the President's FY 2018 Budget Request](#) as it relates to the education, research and health care programs of importance to the university, and is in the process of updating the university's FY 2018 appropriations priorities document, which serves as UC's advocacy roadmap for the FY 2018 budget and appropriations process. Additional details are included below.

In late-May, UC President Janet Napolitano was in Washington, DC to attend the annual American Law Institute annual meeting and to meet with members of Congress and the administration. Details about the President's visit are included below.

BUDGET AND APPROPRIATIONS

Fiscal Year 2017 Budget Update

On May 3, both the House and Senate passed [H.R. 244](#), the Consolidated Appropriations Act, 2017, which President Trump signed into law on May 5. Prior to the legislation's passage, the federal government had been operating under a series of continuing resolutions since the start of the fiscal year on October 1.

The approximately \$1 trillion bipartisan agreement includes funding for many programs of importance to the university. Additional information about the law as it relates to the university's education, research and health care priorities is available in the [2017, Issue 4 Federal Update](#).

Fiscal Year 2018 Budget Update

On May 23, President Trump released his Fiscal Year (FY) 2018 Budget Request, which followed the release of his FY 2018 Budget Blueprint, or "skinny budget," in March. The President's FY 2018 Budget Request came in at approximately \$4.1 trillion and assumes that the economy will see 3 percent in economic growth, well above the 1.9 percent forecast by the Congressional Budget Office. The Budget Request makes a significant number of assumptions, including more than \$2 trillion in extra revenue through tax cuts and easing of regulations that,

according to the administration, would spur economic growth. In addition, the request proposes to eliminate the deficit by 2028.

The Budget Request calls for a \$54 billion increase above FY 2017 in base defense discretionary spending, while reducing nondefense discretionary spending by an equal amount in FY 2018, or more than \$1.6 trillion over 10 years. The President's Budget Request breaks the principle of parity between defense and non-defense spending that was established in the Budget Control Act of 2011 and does not address the so-called sequester caps that are currently in place through 2021. Since the increase in defense spending in the President's Budget Request exceeds the current limits under the law, Congress would be required to renegotiate new defense and nondefense discretionary spending limits in order to accommodate the Budget Request.

FGR [compiled a summary](#) of the President's FY 2018 Budget Request as it relates to the higher education, research and health care programs of importance to the university.

Budget and Appropriations Advocacy

Following the release of the FY 2018 Budget Request, UC President Janet Napolitano [issued a statement](#) expressing concern about the cuts in federal funding for education, research and health care programs of importance to UC.

FGR is in the process of updating the university's FY 2018 appropriations priorities document in response to the Budget Request. The original [FY 2018 appropriations priorities document](#) – developed after the release of the Budget Blueprint – was sent to all members of the California congressional delegation in March and has been used in numerous advocacy capacities since then.

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 or 202-974-6306 (research); Carolyn Henrich at Carolyn.Henrich@ucdc.edu or 202-974-6308 (education); or Julie Clements at Julie.Clements@ucdc.edu or 202-974-6309 (health care).

CONGRESSIONAL LEGISLATIVE ACTIVITY

American Health Care Act

On May 4, the U.S. House of Representatives passed the American Health Care Act (AHCA), legislation to repeal and replace health insurance coverage provisions in the Affordable Care Act (ACA). UC FGR sent a message to all members of the California congressional delegation prior to the AHCA's vote stating its opposition to the legislation and urging members to vote no.

On May 24, the Congressional Budget Office (CBO) issued an updated score for the amended AHCA, projecting that the bill as amended would reduce the federal deficit by \$119 billion and result in 23 million fewer Americans having health care coverage within 10 years.

The AHCA would cut Medicaid spending by \$610 billion over ten years by restructuring Medicaid as a block grant or per capita cap allotment program, and by an additional \$250 billion in part through phasing out the Medicaid expansion provided by the ACA. UC will join peer

academic medical centers against efforts to restructure Medicaid, phase out the Medicaid expansion and erode consumer protections, like essential health benefits, community ratings and prohibitions against lifetime and annual limits enacted in the ACA.

The Senate has three informal working groups developing a legislative response to the House bill, including a working group comprised of senators on each side of the aisle. Senate Majority Leader Mitch McConnell (R-KY) has stated that while the Republican caucus is working to devise health care legislation that will garner a majority of senators' votes, obtaining 51 votes will be difficult given the disparate perspectives among Senate Republicans. For additional information, please contact Julie Clements at Julie.Clements@ucdc.edu or 202-974-6309.

College Transparency Act

On May 15, the [College Transparency Act](#), a bipartisan, bicameral bill was introduced by Sens. Orrin Hatch (R-UT) and Elizabeth Warren (D-MA) in the Senate as and by Reps. Paul Mitchell (R-MI) and Jared Polis (D-CO) in the House. The legislation seeks to modernize the college reporting system for higher education data by ensuring accurate and complete reporting on key student outcome metrics, which would allow students, parents and other stakeholders to accurately assess institutions of higher education on a level playing field. UC supports initiatives to make student outcome metrics more accessible and comparable, and is analyzing the College Transparency Act. For additional information, please contact Carolyn Henrich at Carolyn.Henrich@ucdc.edu or 202-974-6308.

Federal Perkins Loan Program Extension Act

On May 17, the [Federal Perkins Loan Program Extension Act](#) was introduced by Reps. Elise Stefanik (R-NY) and Mark Pocan (D-WI) to extend the Perkins Loan Program until September 30, 2019. The Federal Perkins Loans Program, which received a two-year extension in 2015, provides low-cost loans to financially needy undergraduate and graduate students. While President Trump's FY 2018 Budget Request eliminates the program, the program retains strong bipartisan support in Congress. UC disbursed nearly \$35 million in Perkins loans for the 2015-16 academic year to more than 16,000 undergraduate and 2,200 graduate students.

UC would like Congress to allow institutions like UC that have strong revolving funds to be able to continue lending Perkins Loans to low-income students. The program has not received any new federal funds since 2005, and many schools are owed substantial funds from the Department of Education to reimburse Perkins Loans that were cancelled when students qualified for certain loan forgiveness provisions in the law. For additional information, please contact Carolyn Henrich at Carolyn.Henrich@ucdc.edu or 202-974-6308.

Year-Round Pell Grants

The FY 2017 omnibus appropriations legislation that was signed into law in April included funding for the restoration of year-round Pell Grants, a move that could help thousands of UC students accelerate their time to completion, and possibly lower their cost of education. UC was active in advocating for the restoration of year-round Pell and last year sent a [joint letter](#) with the California State University and California Community College systems to the members of the California congressional delegation urging the program's restoration. Additionally, UC President Janet Napolitano joined with UC Student Association President Ralph Washington, Jr. in [calling on the delegation](#) to support year-round Pell and increase the maximum discretionary award.

Typically, provisions included in appropriations legislation are applicable for one year, but year-round Pell grants are “Effective in the 2017–2018 award year and thereafter,” meaning that eligible students will be able to take advantage of Pell grants during summer 2017 if the term begins after July 1, 2017. While the Department of Education is required to issue implementation guidance before July 1, it is up to institutions to facilitate the disbursement of year-round Pell funds for summer 2017. For additional information, please contact Carolyn Henrich at Carolyn.Henrich@ucdc.edu or 202-974-6308.

POLICY AND REGULATORY UPDATE

ARPA-E Research Grants Affected by Additional Department of Energy Administrative Review

UC FGR and campus colleagues have been working together with the administration and Congress on several UC Advanced Research Projects Agency-Energy (ARPA-E) research grants that are being withheld by Department of Energy (DOE) leadership for additional review to ensure that the programs are “consistent with Administration guidance.” Roughly \$90 million in ARPA-E awards – including \$17 million in approved ARPA-E grants to three UC campuses and the Lawrence Berkeley National Lab – have been publicly announced, but are frozen under this review. Given that ARPA-E is proposed for elimination in the FY 2018 President’s Budget Request, UC and other university, national lab and small business grantees are concerned by the prospect of cancellation of these awards, although they were funded with prior years’ appropriations. Sen. Dianne Feinstein (D-CA) and numerous other California congressional members of both parties have made public and private inquiries on UC’s behalf. Some suspended ARPA-E grants have been cleared in recent days, and UC FGR will continue to pursue release of all the UC grants. For additional information, please contact Marjorie Duske at Marjorie.Duske@ucdc.edu or 202-974-6306.

H-1B Visas

In April, the U.S. Department of Homeland Security (DHS) suspended its “premium processing” of H-1B skilled-worker visa applications for up to six months, which is problematic for UC in issuing visas for visiting students and scholars. UC follows a strict academic calendar, and without being able to rely on premium processing, many of the international faculty and researchers UC recruits will not be able to begin their work at the beginning of the academic year, potentially leaving classes without professors and causing delays in research. Further unintended consequences of this suspension could cause researchers to miss grant deadlines or leave academic medical centers without faculty physicians who provide critical patient care and medical education.

In April, Sen. Dianne Feinstein (D-CA) joined with Sens. Chuck Schumer (D-NY) and John Cornyn (R-TX) to send a letter to DHS Secretary John Kelly urging the Department to reinstate the premium processing service for U.S. colleges and universities, aligning with a number of higher education stakeholders in requesting this assistance. DHS responded that it is looking at alternative ways to address the issue.

UC’s International Student Services directors spoke, via a UC FGR-coordinated conference call, with the executive director of the Office of Academic Engagement at DHS in May about the problems UC campuses are having. DHS agreed to a continuing dialogue, and UC looks forward to partnering with the agency to develop solutions that may be helpful moving forward.

For additional information, please contact Carolyn Henrich at Carolyn.Henrich@ucdc.edu or 202-974-6308.

Federal Student Loan Rates

Interest rates on new federal student loans will increase on July 1, 2017 for the 2017-18 academic year. Rates are tied to the U.S. Treasury Department's sale of 10-year notes, and are adjusted annually. They are fixed for the life of the loan, and do not affect existing federal student loans. Rates for new federal undergraduate student loans will increase from 3.76 percent to 4.45 percent. Rates for new federal graduate student loans will increase from 5.31 percent to 6.0 percent. Rates for new federal PLUS loans – intended for graduate students or parents assisting with the financing of their child's education – will increase from 6.31 to 7.0 percent. For additional information, please contact Carolyn Henrich at Carolyn.Henrich@ucdc.edu or 202-974-6308.

ADVOCACY UPDATE

UC President Janet Napolitano Visits Washington, DC

In late-May, UC President Janet Napolitano traveled to Washington, DC to attend the American Law Institute annual meeting and to meet with members of Congress and the administration. During her trip, President Napolitano met with Sen. Dianne Feinstein (D-CA) and Leader Nancy Pelosi (D-CA) to discuss health care legislation moving through Congress, the recently passed FY 2017 omnibus legislation and the need for continued investments in federal research and student financial aid in the FY 2018 budget. President Napolitano also met with Secretary of Education Betsy DeVos to discuss key issues of importance to high education, including the restoration of year-round Pell Grants, the need for sustained funding for student federal financial aid and the reauthorization of the Higher Education Act.

While in Washington, DC, President Trump's FY 2018 Budget Request was released. In response, President Napolitano [released a statement](#) expressing concern about the proposed cuts in federal funding for education, research and health care programs of importance to UC.

Coalition for National Science Funding Day on Capitol Hill

On May 16, researchers from UC Berkeley, UC Davis, UCLA, UC Riverside and UC San Diego participated in the annual Coalition for National Science Funding (CNSF) Day on Capitol Hill. Faculty and students from the five campuses met with 23 members of Congress or their staff to discuss the [impact of National Science Foundation \(NSF\)-sponsored research on UC campuses and California](#), and talk about their own NSF-funded research. This year, the UC research teams highlighted their work in fields related to bioengineering, water resources and the environment, energy issues, technology commercialization, social science and science, technology, engineering and math (STEM) education. Following a day of congressional meetings, the UC researchers joined representatives from about 30 other universities and scientific societies at an exhibition and Congressional reception attended by NSF Director France Córdoba and other federal officials. For additional information, please contact Chris Carter at Chris.Carter@ucdc.edu or 202-974-6310.

FEDERAL CAMPUS ENGAGEMENT

- On May 5, Rep. **Dana Rohrabacher** (CA-48) visited **UC Irvine** to participate in a roundtable discussion on cannabis.
- On May 8, Rep. **Salud Carbajal** (CA-24) spoke with faculty members regarding the scientific research taking place at **UC Santa Barbara**, and toured lab facilities.
- On May 8, Commander **Todd Phillips**, U.S. Navy congressional liaison for appropriations matters, visited **UC San Diego Scripps Institute of Oceanography** for an overview of Navy-related research, a briefing on the Navy academic fleet and an overview of Scripps ship operations. Commander Phillips met with Office of Naval Research-funded researchers and toured their respective labs.
- On May 8, Rep. **Jimmy Panetta** (CA-20) met with student groups at **UC Santa Cruz**.
- On May 30, Rep. **Jimmy Panetta** (CA-20) met with Scott Brandt, vice chancellor for research, and university deans to discuss federal research funding at **UC Santa Cruz**.
- On May 30, Rep. **Adam Schiff** (CA-28) delivered an address and answered questions on Russia’s threat to liberal democracies at **UC Irvine**.

Federal Update
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Associate Vice President - Gary Falle 202-974-6319
 Associate Director - Chris Harrington 202-974-6314

Director of Education.....	Carolyn Henrich 202-974-6308
Director of Science and Technology.....	Marjorie Duske 202-974-6306
Director of Health and Clinical Affairs.....	Julie Clements 202-974-6309
Legislative Director for Research	Chris Carter 202-974-6310
Principal Legislative Analyst.....	Kamala Lyon 202-974-6312
Legislative and Communications Specialist.....	Nicole Carlotto 202-974-6325
Legislative Analyst.....	Carl Welliver 202-974-6302
Operations Manager and Executive Assistant.....	Ryan Stee 202-974-6307
Government Relations Staff Assistant.....	Julia Rowe 202-974-6304

For more information on the items in this report or on federal governmental relations activities, please contact the Office of Federal Governmental Relations