



FEDERAL UPDATE

The Report on Congressional & Administration Activities
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WASHINGTON UPDATE

Following the May 23 release of President Trump's Fiscal Year (FY) 2018 Budget Request, in coordination with campus and lab colleagues, UC Office of Federal Governmental Relations (FGR) updated the [university's FY 2018 federal funding priorities](#), which serves as UC's advocacy roadmap for the FY 2018 budget and appropriations process. Additional details about the status of UC's FY 2018 advocacy are included below.

On June 22, the Senate released its draft health care legislation – The Better Care Reconciliation Act of 2017 – which is aimed at overturning the Affordable Care Act's (ACA) coverage provisions. The Senate bill would repeal the ACA's individual and employer mandates, modify the premium tax credits, restructure Medicaid financing so

Medicaid services are delivered to states through per capita capped allotments and phase out the Medicaid expansion. A vote on the legislation has been delayed until after the 4th of July congressional recess. Additional information about the proposed legislation is included below.

Throughout June, UC FGR engaged in several advocacy-related efforts, including participating in a California Public Higher Education Caucus briefing on Capitol Hill; supporting UC Vice President for Agriculture and Natural Resources Glenda Humiston's testimony before the House Agriculture Committee; and participating in the California State Society's summer picnic. Details about these events are included below.

BUDGET AND APPROPRIATIONS

Budget and Appropriations Advocacy

Following the May 23 release of President Donald Trump's FY 2018 Budget Request, in coordination with campus and lab colleagues, FGR updated the [university's FY 2018 federal funding priorities](#). This document highlights the programs and agencies that are of priority to the university, along with requested funding levels. This detailed document was distributed to all members of the California congressional delegation, under a letter from UC President Napolitano, and will be used as part of UC's ongoing advocacy efforts around the FY 2018 budget.

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

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CONGRESSIONAL LEGISLATIVE ACTIVITY

Better Care Reconciliation Act of 2017

On June 22, the Senate released its draft health care legislation aimed at overturning the Affordable Care Act's (ACA) coverage provisions. Titled [The Better Care Reconciliation Act of 2017 \(BCRA\)](#), the Senate's bill would repeal the ACA's individual and employer mandates, modify the premium tax credits, restructure Medicaid financing so Medicaid services are delivered to states through per capita capped allotments and phase out the Medicaid expansion. If enacted, BCRA would lead to steep reductions in Medicaid spending and coverage throughout the country, and specifically in California.

The Congressional Budget Office released its analysis of the bill on Monday, June 26, indicating that the BCRA will result in 22 million fewer Americans having insurance over the next ten years, and would reduce the federal deficit by \$321 billion. On June 27, after a number of republican Senators came out in opposition to the bill moving forward, Senate Majority Leader Mitch McConnell (R-KY) announced that a vote on the legislation would be delayed until after the 4th of July 4 recess.

For individuals currently covered through state exchange qualified health plans, the BCRA changes the value of the subsidy that individuals receive, which will lower average premiums, but also shift more of the cost of care to individuals. The BCRA would allow state exchange qualified health plans to charge older people up to five times more for their premiums than younger people. The current ratio under the ACA is up to three times as much. Under BCRA, there would be no guarantee of health care benefits that qualified health plans must cover. States would be able to choose whether they offer ten or fewer categories of essential health benefits now required by the ACA. Also, states would be permitted to set their own medical loss ratios. Currently, the ACA has set medical loss ratios that require at a minimum health plans spend 80 percent of health care premiums on medical service delivery. Moreover, the erosion of consumer protections required of health plans in the BCRA would permit health plans to revert to having annual or lifetime coverage limits.

Sen. Majority Leader Mitch McConnell (R-KY) has shared his intention to hold a final vote on the BCRA legislation towards the end of the same week. It is unclear whether all provisions of the legislation would conform with rules specific to the reconciliation process, including a requirement that all provisions of the bill have a budgetary focus. To date, numerous Republican insiders report Sen. McConnell lacks the votes he needs for BCRA to pass the Senate, especially from moderate and vulnerable incumbents.

In addition to UC's [March letter](#) to House members of the California congressional delegation, and the more recent [June letter](#) to California's senators outlining the policy principles through which UC frames health care reform, UC FGR has been working directly with members of the delegation to express the impact BCRA would have on Californians, UC's medical centers and their medical professionals. For additional information, please contact Julie Clements at Julie.Clements@ucdc.edu or 202-974-6309.

To Offer Refugees College Help (TORCH) Act

On June 20 – World Refugee Day – Rep. Jared Huffman (D-CA-2) introduced the [TORCH Act](#), legislation to amend the Higher Education Act to guarantee in-state tuition for refugees living and studying in the United States. President Napolitano’s statement of support was included in Rep. Huffman’s [press release](#), specifically noting that the legislation aligns with UC’s longstanding commitment to ensure all qualified students are given an opportunity to succeed at the university.

As of June 23, 54 members of the House have cosponsored the legislation, including Reps. Zoe Lofgren (D-CA-19), ranking member of the House Subcommittee on Immigration and Border Security, and Susan Davis (D-CA-53), ranking member of the House Subcommittee on Higher Education and Workforce Development.

The legislation would also provide similar in-state tuition benefits to asylees and Special Immigrant Visa (SIV) holders who assisted U.S. armed forces in Iraq and Afghanistan. For additional information, please contact Carl Welliver at Carl.Welliver@ucdc.edu or 202-974-6302.

POLICY AND REGULATORY UPDATE

HHS Proposal to Cut NIH F&A costs cap to 10 Percent

UC FGR continues to work vigorously with key leaders in Congress, the administration and the university community to defend against a Department of Health and Human Services proposal to cap National Institutes of Health (NIH) facilities and administrative (F&A) expenses for academic research at 10 percent. [UC President Janet Napolitano sent a June 14 letter](#) to the administration asserting that “a cut to NIH F&A is a cut to NIH research,” and that the proposal would destabilize the federal government-university research partnership with UC and other academic institutions. Several UC campuses have also produced letters that identify adverse impacts on UC research of the proposal. In collaboration with UC Office of the President and the campuses, UC FGR remains deeply engaged with key congressional committees and members’ offices to ensure that all understand the integral value of legitimate F&A expenses in conducting world-class research for the federal government. For additional information, please contact Marjorie Duske at marjorie.duske@ucdc.edu or 202-974-6306.

UC ARPA-E Research Grants Released after Long DOE Administrative Review

After months of effort by UC FGR and UC campus governmental relations representatives working with the California delegation, the administration and other key stakeholders, several FY 2016 UC Advanced Research Projects Agency-Energy (ARPA-E) research grant awards were finalized in early June. 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 – had been publicly announced, but were subsequently frozen by Department of Energy (DOE) leadership for additional review. Given that ARPA-E was proposed to be eliminated in the FY 2018 President’s Budget Request, UC and other university, national lab and small business grantees were concerned that the awards could be cancelled altogether, even though they were funded with prior years’ appropriations. Sen. Dianne Feinstein (D-CA), Rep. Ken Calvert (R-CA-42) and numerous other California congressional members made public and private inquiries on UC’s behalf. For additional information, please contact Marjorie Duske at marjorie.duske@ucdc.edu or 202-974-6306.

Department of Education Office of Civil Rights Backlog

On June 15, news media reported on a [memo](#) reportedly circulated within the U.S. Department of Education's Office of Civil Rights (OCR) instructing OCR regional directors to reduce and shorten the scope of civil rights investigations—including those on discrimination, discipline, sexual violence and other issues—in order to reduce the OCR complaint turnaround time and eliminate the claims backlog.

Under the previous presidential Administration, regional directors were instructed to take a holistic view of complaints, and encouraged to identify campuses and communities where systemic civil rights issues persisted and address them comprehensively.

OCR will now only approach investigations as a “class-action” or “systemic” issue when the complaint itself references a broader systemic issue, not as a consequence of multiple, separate investigations of civil rights violations. For additional information, please contact Carl Welliver at Carl.Welliver@ucdc.edu or 202-974-6302.

NIH Withdraws Grant Support Index Proposal

In support of the UC Council of Vice Chancellors for Research (COVCR), UC FGR worked to convey UC's concerns about unintended consequences of an NIH proposal to cap individual principal investigator awards with a new metric known as the “Grant Support Index” (GSI). In the [COVCR's letter to NIH](#), UC expressed support for the NIH's goal to increase the number of awards and awardees – especially for early and mid-career researchers. UC also recommended adjustments to “ensure support for a robust pipeline of world-class early stage investigators, while sustaining the impact and discoveries of respected established researchers.” NIH leadership responded favorably to recommendations from UC and other university stakeholders. NIH subsequently withdrew the GSI and proposed a revised plan to help early and mid-career investigators. For additional information, please contact Marjorie Duske at marjorie.duske@ucdc.edu or 202-974-6306.

Year-round Pell Grant Implementation

On June 19, the U.S. Department of Education issued [guidance](#) for the implementation of year-round Pell Grants, as required in the Fiscal Year (FY) 2017 omnibus appropriations bill, which reinstated the program. This expansion of the Pell Grant program will allow students to access up to 150 percent of their annual Pell award in one academic year, possibly accelerating students' time to degree completion and potentially lowering their overall cost of education.

Students may begin to receive year-round Pell Grants on July 1 for summer coursework if it is assigned to the 2017-18 academic year. For additional information, please contact Carl Welliver at Carl.Welliver@ucdc.edu or 202-974-6302.

Disproportionate Share Hospitals / Worksheet S-10

On June 13, Dr. John D. Stobo, executive vice president of UC Health, sent a comment letter to Seema Verma, administrator of the Centers for Medicare & Medicaid Services (CMS), on a [proposed rule](#) regarding potential changes to the method by which Disproportionate Share Hospitals' (DSH) uncompensated care reimbursements are calculated.

Worksheet S-10, a new tool proposed by CMS, would be used to calculate payments in lieu of a proxy that has been routinely used to derive hospitals' uncompensated care costs. When the

Affordable Care Act was initially enacted into law, a multi-year gradual reduction of uncompensated care payments was intended to be offset by a declining number of uninsured patients. In reality, use of the Worksheet S-10 at this time would in effect penalize institutions like UC Health that opted into the Medicaid expansion by providing many of these institutions significantly less uncompensated care payments than they merit.

For example, if implemented, use of the Worksheet S-10 would adversely affect UC Health's twelve hospitals' capacity to continue as safety net institutions, costing UC Health hospitals as much as \$4.45 million in FY 2018 and \$10 million in FY 2019. In addition to failing to account for numerous costs UC hospitals incur, including, but not limited to teaching costs, discounts for uninsured and underinsured patients and the Medicaid shortfall, there remain disparate understandings among well-intentioned hospital finance personnel as to how to fill out the Worksheet S-10. Lastly, the Worksheet S-10 has yet to be proven reliable and verifiable.

It is the university's position that Worksheet S-10 as currently formulated does not accurately reflect or provide for equitable distribution of DSH uncompensated care reimbursements. Therefore, it is not ready to be a means of determining CMS' calculation of hospitals' uncompensated care payments. For additional information, please contact Julie Clements at Julie.Clements@ucdc.edu or 202-974-6309.

ADVOCACY UPDATE

UCANR Testifies on Agricultural Research at House Agriculture Committee

On June 22, UC Vice President for Agriculture and Natural Resources (ANR) Glenda Humiston testified before the House Agriculture Committee at a hearing titled, "The Next Farm Bill: University Research." [Dr. Humiston testified](#) on the value of agricultural research and UC's role as a national leader. VP Humiston highlighted UC's priorities for Farm Bill reauthorization, including the importance of research and extension capacity programs such as Hatch, Smith-Lever, McIntire-Stennis. She also discussed the value of Animal Health and Disease Research, the Expanded Food and Nutrition Education Program and 4-H Youth Development, as well as the growing challenges of deferred maintenance of agricultural research infrastructure at the nation's land-grant universities.

During the hearing, committee members expressed strong bipartisan support for university-based agricultural research programs authorized under the Farm Bill. Following the hearing, UC FGR arranged meetings with several California congressional offices regarding UC's Farm Bill reauthorization priorities. For additional information, please contact Marjorie Duske at Marjorie.Duske@ucdc.edu or 202-974-6306, or Kamala Lyon at Kamala.Lyon@ucdc.edu or 202-974-6312.

California Public Higher Education Caucus Briefing

On June 15, UC participated in a briefing organized by the California Public Higher Education Caucus – co-chaired by Reps. Jeff Denham (R-CA-10) and Ami Bera (D-CA-7) – to discuss issues in California higher education policy. Carolyn Henrich, UC FGR's director for education, was on the panel, along with representatives from the California State University System, California Community Colleges and majority and minority staff from the House Committee on Education and the Workforce.

The speakers discussed the interconnectedness of the three California public higher education

systems, addressed issues of access and affordability, federal and state investment in higher education institutions and programs, opportunities to encourage K-12 community members to prepare students for higher education, distance learning opportunities and other relevant issues.

California State Society Summer Picnic

On June 10, the California State Society – an organization whose objective is to promote relations among its members and to serve the interests of the nation and the state of California – hosted its annual summer picnic. The university donated a basket for the organization’s raffle that included items from all 10 campuses and the UC Washington Center. Proceeds from the raffle went go to The ALS Association – DC/MD/VA Chapter.

FEDERAL CAMPUS ENGAGEMENT

- On May 30, **Rep. Jimmy Panetta** (CA-20) visited **UC Santa Cruz**. Rep. Panetta met with Scott Brandt, vice chancellor for research; Paul Koch, dean of physical and biological sciences; Tyler Stovall, dean of humanities; and environmental studies faculty to discuss the importance of federal research grants, as well as science, environmental and climate research.
- On May 31, **Rep. Mark Takano** visited **UC Riverside** to meet with first-year medical resident students.
- On June 1, **Eric Rohlifing**, acting director of the Advanced Research Projects Agency-Energy (ARPA-E), visited **UC San Diego** to tour facilities.
- On June 2, **Rep. Scott Peters** (CA-52) visited **UC San Diego** for an event at the Center for U.S.-Mexico Studies and to attend a meeting with ARPA-E Acting Director Eric Rohlifing.
- On June 8, **Stephen Jurczyk**, associate administrator for NASA Space Technology Mission Directorate, met with Paul Alivisatos, vice chancellor for research, and faculty at **UC Berkeley**.
- On June 27, **Benjamin Friedman**, acting undersecretary of commerce for oceans and atmosphere and administrator of the National Oceanic and Atmospheric Administration visited **UC San Diego Scripps Institution of Oceanography**. He met with Margaret Leinen, vice chancellor for marine sciences, Kathleen Ritzman, assistant director, and T. Guy Masters, deputy director for research.

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