



FEDERAL UPDATE

The Report on Congressional & Administration Activities
2017, Issue 7

Published: August 09, 2017

Office of Federal Governmental Relations • 1608 Rhode Island Ave, NW • Washington, DC

IN THIS ISSUE

WASHINGTON UPDATE	1
BUDGET AND APPROPRIATIONS	1
CONGRESSIONAL LEGISLATIVE ACTIVITY	7
POLICY AND REGULATORY UPDATE	10
ADVOCACY UPDATE	11
FEDERAL CAMPUS ENGAGEMENT	11

WASHINGTON UPDATE

To date, no Fiscal Year (FY) 2018 appropriations legislation has been signed into law. The House has passed all 12 bills out of committee and on July 27, the House passed four bills packaged in a “minibus” – including the FY 2018 Defense; Energy and Water; Legislative Branch; and Military Construction and Veterans Affairs bills. The Senate has passed six bills out of committee. A more detailed look at the university’s priorities within the FY 2018 appropriations bills currently moving in Congress is included below.

In coordination with the university’s ongoing federal governmental relations activities, in July, UC launched an advocacy campaign to highlight the need for federal investments in education and research in the FY 2018 budget. This effort included a call-to-action for university

advocates to contact their legislators and urge support for education and research funding. In addition, UC’s Office of Federal Governmental Relations (FGR) released an updated and expanded [toolkit](#), including fact sheets, talking points and other advocacy-related materials. Additional information about UC’s ongoing federal advocacy efforts are included below.

On July 28, efforts to repeal the Affordable Care Act’s (ACA) coverage provisions and replace them with a pared down version of their earlier Better Care Reconciliation Act (BCRA) bill failed to pass the Senate. The vote on a “skinny” repeal bill came after two unsuccessful attempts earlier in the week to pass related legislation. Additional details about the health care debate are included below.

BUDGET AND APPROPRIATIONS

On July 19, the House Budget Committee passed the FY 2018 budget resolution, [H.Con.Res.71](#). The resolution has not been scheduled for a floor vote. The Senate has not acted on an FY 2018 budget resolution.

Although the House and Senate Appropriations Committees have been busy, to date, no [FY 2018 appropriations legislation](#) has been signed into law. The House has passed all 12 bills out of committee, and on July 27, the House passed four bills packaged in a “minibus” – including the FY 2018 Defense; Energy and Water; Legislative Branch; and Military Construction and Veterans Affairs. The Senate has passed six bills out of committee: Agriculture; Commerce, Justice, Science; Energy and Water; Legislative Branch; Military Construction and Veterans Affairs; Transportation-HUD.

Below are updates on [UC priorities](#) within the FY 2018 appropriations bills, as considered in the House and the Senate so far:

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

Department of Agriculture (USDA)

- **Agriculture and Food Research Initiative (AFRI)**: The House and Senate committee bills both provide \$375 million for AFRI, which is equal to the FY 2017 enacted level and \$25 million more than the FY 2018 President's request.
- **USDA Capacity Grants programs – Hatch Act, Smith-Lever 3(b)-3(c) and McIntire-Stennis Cooperative Forestry**: The House and Senate committee bills each provide funding consistent with FY 2017 enacted levels for USDA capacity programs: \$244 million for Hatch, \$300 million for Smith-Lever and \$34 million for McIntire-Stennis. The President's request proposes small cuts for the first two programs and a \$5 million cut for McIntire-Stennis.
- **USDA Crop Protection/Pest Management (CP/PM) and Minor Crop Pest Management (IR-4)**: The House and Senate committee bills provide \$20 million for the CP/PM and \$11.9 million for the IR-4 programs, the same as in FY 2017. The President's request would provide the same amount for IR-4, and a \$5.4 million cut for CP/PM.
- **Expanded Food and Nutrition Education Program (EFNEP)**: The House and Senate committee bills provide \$68 million for EFNEP, which is the same as the President's FY 2018 request and equal to the FY 2017 level.

SUBCOMMITTEE ON COMMERCE, JUSTICE, SCIENCE AND RELATED AGENCIES

National Aeronautics and Space Administration (NASA)

- **NASA Science Mission Directorate**: The House committee bill provides \$5.859 billion for the Science Mission Directorate, which is \$94 million more than the FY 2017 enacted level and \$147 million more than the FY 2018 President's request. The Senate committee bill provides \$5.572 billion for the Science Mission Directorate, \$193 million below FY 2017 and \$140 million below the President's request.
- **NASA Space Technology Programs**: The House committee bill provides \$687 million for Space Technology programs, which is equal to the FY 2017 enacted level and \$8 million more than the FY 2018 President's request. The Senate committee bill provides \$700 million for Space Technology, \$13 million more than FY 2017 and \$21 million more than the President's request.
- **Space Grant College and Fellowship Program**: The House and Senate committee bills both provide \$40 million for the Space Grant program, which is equal to the FY 2017 enacted level. The program is proposed to be eliminated in the President's FY 2018 request.

National Science Foundation (NSF): The House committee bill provides \$7.34 billion for the NSF, which is \$132 million lower than the FY 2017 enacted level and \$687 million more than the FY 2018 President's request. Research and Related Activities would be flat funded, and a \$131 million cut below FY 2017 is recommended for Major Research Equipment and Facilities Construction. The Senate committee bill provides \$7.31 billion for the NSF, \$161 million below FY 2017 and \$658 million more than the President's request. Research and Related Activities would be cut by \$116 million below FY 2017, and Major Research Equipment and Facilities Construction received a \$26 million cut.

Department of Commerce, National Oceanographic and Atmospheric Administration (NOAA)

- **Office of Oceanic and Atmospheric Research (OAR):** The House committee bill provides \$448.8 million for OAR, which is \$28.9 million lower than the FY 2017 enacted level and \$98.8 million more than the FY 2018 President's request. The Senate committee bill provides \$477.7 million for OAR, equal to the FY 2017 enacted level and \$127.7 million more than the President's request.
- **National Sea Grant College Program, OAR:** The House committee bill provides \$63 million for the Sea Grant program, which is equal to the FY 2017 enacted level. The program is proposed to be eliminated in the President's FY 2018 request. The Senate committee bill increases the Sea Grant program by an additional \$2 million, to \$65 million.
- **Integrated Ocean Observing System (IOOS):** The House committee bill provides \$31 million for the IOOS, \$300 thousand more than FY 2017, and \$1.6 million more than the FY 2018 President's request. The Senate committee bill provides \$33.7 million for the IOOS, \$3 million more than FY 2017, and \$4.3 million more than the President's FY 2018 request.

SUBCOMMITTEE ON DEFENSE

Department of Defense (DOD) *The House Appropriations Committee-passed bill was included in the House "minibus" appropriations package.*

- **Defense Basic Research (6.1):** The House bill provides \$2.28 billion for 6.1 Basic Research, a \$4 million increase over FY 2017, and \$51 million more than was requested in the President's FY 2018 request.
- **Defense Advanced Research Projects Agency (DARPA):** The House bill provides \$3.07 billion for DARPA, a \$180 million increase over FY 2017, and \$100 million less than the President's FY 2018 request.

SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT, AND RELATED AGENCIES

Department of Energy (DOE) *The House Appropriations Committee-passed bill was included in the House "minibus" appropriations package.*

- **Office of Science:** The House bill provides \$5.392 billion, which is equal to the FY 2017 enacted level and \$919 million more than the President's FY 2018 request. Separate from the House "minibus" appropriation package, the Senate-passed bill provides \$5.55 billion, an increase of \$158 million over FY 2017 and \$1.08 billion more than the President's request.
- **Advanced Research Projects Agency-Energy (ARPA-E):** The House bill would eliminate ARPA-E as was proposed in the President's FY 2018 request. Separate from the House "minibus" appropriation package, the Senate-passed bill provides \$330 million, which is \$24 million above the FY 2017 enacted level.

SUBCOMMITTEE ON HOMELAND SECURITY

Department of Homeland Security (DHS)

- **Research, Development and Innovation, Science and Technology Directorate:** The House committee bill provides \$343 million for DHS research, science and technology programs, which is the same as the President's FY 2018 request and \$87.1 million below the FY 2017 enacted level.

- **University Programs, Science and Technology Directorate:** The House committee bill provides \$40.5 million for DHS University Programs, which is the same as the FY 2017 enacted level and \$10.8 million above the President's FY 2018 request.

SUBCOMMITTEE ON INTERIOR, ENVIRONMENT, AND RELATED AGENCIES

Department of Interior, U.S. Geological Survey (USGS)

- **USGS Earthquake Hazards Program (EHP):** The House committee bill provides \$64.3 million for the Earthquake Hazards Program (E, which is the same as the FY 2017 enacted level and \$12.9 million above the President's FY 2018 request. The bill includes \$10.2 million to continue development of the Earthquake Early Warning System.
- **USGS Global Seismographic Network (GSN):** The House committee bill provides \$6.65 million for the GSN program, which is equal to the FY 2017 level and \$1.75 million more than the President's FY 2018 request.
- **USGS Water Resources Research Institutes, Water Resources Research Program:** The House committee bill provides \$6.5 million for the Water Resources Research program, which is equal to the FY 2017 enacted level. The program was proposed to be eliminated in the President's FY 2018 request.

National Endowment for the Humanities (NEH): The House committee bill provides \$145 million for the NEH, which is \$4.85 million less than the FY 2017 enacted level. The program was proposed to be eliminated in the President's FY 2018 request.

National Endowment for the Arts (NEA): The House committee bill provides \$145 million for the NEA, which is \$4.85 million less than the FY 2017 enacted level. The program was proposed to be eliminated in the President's FY 2018 request.

Environmental Protection Agency (EPA)

- **Office of Science and Technology:** The House committee bill provides \$629.2 million for EPA science and technology programs, which is \$84.6 million less than the FY 2017 enacted level and \$178.4 million more than proposed in the President's FY 2018 request.

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

Department of Education

- **Pell Grants:** The House committee bill proposes funding the program at \$22.49 billion in FY 2018, the same level as was enacted in FY 2017, and \$50 million higher than in the President's FY 2018 request. The proposed rescission of \$3.27 billion in previously appropriated funds, combined with the \$1.31 billion rescission from FY 2017, would reduce the Pell surplus from \$8.5 billion to \$4 billion.

The House committee bill puts the continued viability of the Pell Grant program at risk, as a surge of Pell-eligible students could rapidly deplete the program's funds. For FY 2018, the maximum Pell Grant award will remain at \$5,920 for the 2018-19 academic year, ending a practice of adjusting Pell Grants annually for inflation, as called for under current law.

- **Supplemental Educational Opportunity Grants (SEOG):** The House committee bill proposes funding the program at \$733 million in FY 2018, the same level as was enacted in

FY 2017, which rejects the President's FY 2018 request's recommendation to eliminate the program.

- **Federal Work-Study:** The House committee bill proposes funding the program at \$990 million in FY 2018, the same level as was enacted in FY 2017, and \$490 million higher than in the President's FY 2018 request.
- **TRIO Programs:** The House committee bill proposes funding the program at \$1.01 billion in FY 2018, \$60 million higher than the enacted FY 2017 level, and \$202 million higher than in the President's FY 2018 request.
- **GEAR UP:** The House committee bill proposes funding the program at \$350 million for FY 2018, \$10 million higher than the enacted FY 2017 level, and \$131 million higher than in the President's FY 2018 request.
- **Aid for Hispanic-Serving Institutions (HSIs) – Title V**
 - Part A—Strengthening Hispanic-Serving Institutions:** The House committee bill proposes funding the program at \$117 million in FY 2018, the same level as was enacted in FY 2017, and the same level proposed in the President's FY 2018 request.
 - Part B—Promoting Postbaccalaureate Opportunities for Hispanic Americans:** The House committee bill proposes funding the program at \$9.7 million in FY 2018, the same level as was enacted in FY 2017, and the same level proposed in the President's FY 2018 request.
- **Teacher Preparation and Teacher Quality Programs:** The House committee bill and President's FY 2018 request propose the elimination of this program, which received \$43 million in FY 2017.
- **Title VI International Education Programs:** The House committee bill proposes funding the program at \$65 million for FY 2018, \$7 million lower than the enacted FY 2017 level, which rejects the President's FY 2018 request's recommendation to eliminate the program.
- **Graduate Assistance in Areas of National Need (GAANN):** The House committee bill and President's FY 2018 request propose funding the program at \$5.8 million for FY 2018, \$22.2 million lower than in the enacted FY 2017 level.
- **Institute of Education Sciences:** The House committee bill proposes funding the program at \$605 million in FY 2018, the same level as was enacted in FY 2017, and \$12 million lower than in the President's FY 2018 request.

Department of Health and Human Services (HHS), National Institutes of Health (NIH): The House Appropriations Committee proposes funding the NIH at \$35.2 billion in FY 2018, \$1.1 billion more than the enacted FY 2017 level, and \$5.3 billion higher than in the FY 2018 President's request.

The legislation contains a general provision (bill language) that prohibits implementation of the 10 percent Facilities and Administration (F&A) costs cap as proposed by the administration:

SEC. 228. In making Federal financial assistance, the NIH shall continue to apply the provisions relating to indirect costs in part 75 of title 45, Code of Federal Regulations, including with respect to the approval of deviations from negotiated rates, to the same extent and in the same manner as the NIH applied such provisions in the third quarter of fiscal year 2017. None of the funds appropriated by this Act may be used by the NIH to develop or implement a modified approach to such provisions, or to intentionally or substantially expand the fiscal effect of the approval of such deviations from negotiated rates beyond the proportional effect of such approvals in such quarter. (Additional details

on this issue can be found under the Congressional Legislative Activity section on page 7.)

HHS, Health Resources and Services Administration (HRSA)

- **Title VII Health Professions Training:** The House committee bill proposes funding these training programs at \$237 million, \$72.2 million lower than the enacted FY 2017 level, and \$232.4 million higher than in the President's FY 2018 request.
- **Title VIII Nursing Workforce Development:** The House committee bill proposes funding these development programs at \$211 million, \$18 million lower than the enacted FY 2017 level, and \$128 million higher than in the President's FY 2018 request.

HHS, Centers for Disease Control and Prevention (CDC)

- **CDC:** The House committee bill proposes funding CDC at \$7.05 billion in FY 2018, \$200 million lower than the enacted FY 2017 level, and \$2 billion higher than in the President's FY 2018 request.
- **National Institute for Occupational Safety and Health (NIOSH):** The House committee bill proposes funding NIOSH at \$325 million in FY 2018, \$10.2 million lower than the enacted FY 2017 level, and \$125 million higher than in the President's FY 2018 request.
- **NIOSH Education and Research Centers (ERCs):** The House committee bill proposes funding the program at \$29 million for FY 2018, the same level as was enacted in FY 2017, which rejects the President's FY 2018 request's recommendation to eliminate the program.
- **NIOSH Agriculture, Forestry and Fishing Program:** The House Appropriations Committee proposes funding the program at \$25.5 million for FY 2018, the same level as was enacted in FY 2017, which rejects the President's FY 2018 request's recommendation to eliminate the program.

HHS, Agency for Healthcare Research and Quality (AHRQ): The House Appropriations Committee proposes funding the program at \$300 million for FY 2018, \$24 million lower than the enacted FY 2017 level, which rejects the President's FY 2018 request's recommendation to eliminate the programs.

SUBCOMMITTEE ON STATE, FOREIGN OPERATIONS AND RELATED PROGRAMS

U.S. Agency for International Development (USAID)

- **New Partnerships for US and Developing Nation Universities:** The House committee bill provides \$35 million for the New Partnerships, which is equal to the FY 2017 enacted level. The President's FY 2018 request did not provide information on this program.
- **Feed the Future Food Security Innovation Labs:** The House committee bill provides \$60 million for the Feed the Future Innovation labs, which is \$10 million more than the FY 2017 enacted level. The President's FY 2018 request did not provide information on this program.
- **Higher Education Solutions Network (HESN):** The House committee bill provides \$28 million for the HESN Program. The final FY 2017 funding level has not yet been determined, and the President's FY 2018 request did not provide information on this program.

Appropriations Advocacy

FGR continues to advocate, in partnership with our campus and laboratory 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, Julie Clements at Julie.Clements@ucdc.edu or 202-974-6309, or Carl Welliver at Carl.Welliver@ucdc.edu or 202-974-6302.

CONGRESSIONAL LEGISLATIVE ACTIVITY

Update on Proposal to Cap NIH Research F&A Costs at 10 Percent

In the May release of the President's FY 2018 Budget Request, the administration followed through with its previously announced proposal to cut National Institutes of Health (NIH) research funding in FY 2018 and to cap at 10 percent the facilities and administrative (F&A) costs for NIH research conducted by academic institutions.

UC FGR, working with the UC Office of the President, campuses and other university and association stakeholders, is deeply engaged with the administration, the California delegation and other congressional leaders in explaining that F&A expenses are legitimate costs of federally sponsored research. A cut to F&A is a cut to research.

In a promising sign that the advocacy is working, the FY 2018 House Labor-HHS-Education Appropriations bill included statutory language (Section 228) that prohibits implementation of the 10 percent F&A cap as proposed by the administration. The bill also increased NIH research funding to \$35.2 billion, which is \$1.1 billion more than FY 2017 – rather than the administration's proposal to cut NIH research by more than \$7 billion.

UC FGR will continue to engage with Congress to explain how F&A reimbursements are critical to the success and stability of the U.S. research enterprise. We seek language similar to Section 228 in the Senate version of the Labor-HHS-Education Appropriations bill, that will, in turn, become FY 2018 appropriations law. For additional information, please contact Marjorie Duske at Marjorie.Duske@ucdc.edu or 202-974-6306.

Efforts to Repeal and Replace the Affordable Care Act

On July 28, efforts to repeal the Affordable Care Act's (ACA) coverage provisions and replace them with a pared down version of their earlier Better Care Reconciliation Act (BCRA) bill failed to pass the Senate. Sens. John McCain (R-AZ), Lisa Murkowski (R-AK) and Susan Collins (R-ME) voted against the bill, thereby making it impossible to secure the 51 votes required for a budget reconciliation bill.

This vote on a "skinny" repeal bill came after two unsuccessful attempts earlier in the week to pass the ObamaCare Repeal and Reconciliation Act (ORRA), which, after receiving the support of the House and Senate in 2015, then-President Barack Obama vetoed, and a revised draft of the current Senate's Better Care and Reconciliation Act (BCRA) of 2017. Votes on ORRA and BCRA failed in large part because of sustained advocacy by a cohort of Republican governors against cuts to the Medicaid Program. These governors weighed in regularly with GOP senators emphasizing the access to primary care and mental health and substance abuse services many of their residents have achieved with the Medicaid expansion. As a result, several Republican senators continued to resist efforts to affix their names to legislation that would phase-out the Medicaid expansion as well as cut Medicaid funding to the overall Medicaid population, including residents meeting the traditional Medicaid Program's eligibility criteria.

Had the "skinny" repeal passed, the ACA's individual and employer-sponsored coverage mandates, along with the medical device tax, would have been eliminated. Additionally, the

Prevention and Public Health Fund would have ceased to operate after FY 2018, and Planned Parenthood would have been defunded for one year.

Following the Senate's vote on the "skinny" repeal bill, Senate Minority Leader Chuck Schumer (D-NY) encouraged members to go back to regular order and work together to see if they may pass legislation that would stabilize the states' individual nongroup insurance marketplaces. Senate Health, Education, Labor and Pensions (HELP) Committee Chairman Lamar Alexander (R-TN) has expressed his desire to revert to regular order and hold hearings in the HELP Committee with health insurance and health policy experts in an effort to devise bipartisan legislation that could stabilize state health insurance marketplaces. There remains a number of states in which there are too few insurance issuers competing in the marketplaces, and consequently, in those state marketplaces, nongroup market insurance premiums have escalated exponentially.

As many as 1.6 million Californians have been able to purchase private insurance through California's health insurance marketplace, Covered California. Within three weeks, President Trump must decide whether he instructs Congress to continue to appropriate about \$7 billion in funds for FY 2018 for the purpose of helping state marketplace insurance issuers defray the costs of covering higher at-risk individuals. He has said that if he saw his party's efforts to repeal the ACA's coverage provisions moving, he would continue to appropriate funds to stabilize the states' nongroup insurance marketplaces. It is not yet known if he will agree to a continuation of appropriating cost-sharing reduction subsidies to insurers issuing insurance in the marketplaces. UC will closely monitor developments in the congressional committees with health care jurisdiction to assess what policies arising from the committees may promote stabilization of the state marketplaces. For additional information, please contact Julie Clements at Julie.Clements@ucdc.edu or 202-974-6309.

Dream Act

On July 20, Sens. Lindsey Graham (R-SC) and Dick Durbin (D-IL) [introduced](#) the bipartisan *Dream Act of 2017*, the most recent iteration of legislation that aims to allow undocumented immigrants who arrived in the U.S. as children to – after meeting certain requirements – apply for permanent residency status, and eventually obtain citizenship. The sponsors of the bill have published a [one-page summary](#) and [section-by-section analysis](#), however, and FGR will analyze the full legislative text and provide further context as soon as feasible. California Sens. Dianne Feinstein and Kamala Harris have signed on to the legislation as cosponsors.

UC recognizes the vital importance of codifying and improving upon important milestones such as the Deferred Action for Childhood Arrivals policy – implemented by UC President Janet Napolitano during her tenure as secretary of the Department of Homeland Security – and the university has supported each iteration of similar Dream Act legislation to date. As more information becomes available and a timeline for possible consideration in Congress becomes clear, FGR will provide additional updates on the legislation. For additional information, please contact Carl Welliver at Carl.Welliver@ucdc.edu or 202-974-6302.

Federal Perkins Loan Program Extension

In a coordinated effort involving more than 130 institutions of higher education and allied organizations, the UC system signed onto a letter sponsored by the American Council on Education (ACE) in support of the [Federal Perkins Loan Program Extension Act of 2017](#). The

act, sponsored by Reps. Elise Stefanik (R-NY) and Mark Pocan (D-WI), would extend by two years the Perkins Loan program, which is set to expire September 30, 2017. The program provides low-interest loans to both undergraduate and graduate students, and revenue from loan repayment is used to issue new loans to additional students. This funding model ensures the program is self-sustaining; as such, the program has not received federal appropriations since FY 2005, and similar legislation received broad support from both houses of Congress in 2015.

UC maintains a revolving Perkins Loan fund of \$35 million, which is used to provide more than 18,000 undergraduate and graduate students with an average award of \$1,500 per year of attendance, and is an important component of a robust financial aid portfolio. UC will continue to advocate with the California congressional delegation and other members of Congress to promote the reauthorization of this program.

ACE continues to request institutional and organizational support for the letter, which will be sent to Representatives Stefanik and Pocan in August. For additional information, please contact Carl Welliver at Carl.Welliver@ucdc.edu or 202-974-6302.

Harry W. Colmery Veterans Educational Assistance Act

Congress has approved legislation to expand veterans' access to higher education through the [Harry W. Colmery Veterans Educational Assistance Act of 2017](#), which was sent to President Trump for signature on Aug. 2. The legislation removes a 15-year time limit on tuition assistance, thereby allowing veterans and their dependents to access educational benefits at any time after their qualifying service. Furthermore, the legislation expands GI benefits to reservists deploying on active duty, Purple Heart recipients and surviving family members of veterans who perish in the line of duty. The bill also renews benefits for veterans who were affected by sudden school closures, such as those at ITT Technical Institute and Corinthian Colleges.

The U.S. House of Representatives voted in favor of the bill on July 24 (405 to 0), and an identical bill was approved by the full Senate on Aug. 2. President Trump is expected to sign the bill into law, but has not yet done so at the time of publication. For additional information, please contact Carl Welliver at Carl.Welliver@ucdc.edu or 202-974-6302.

Pell Indexation

On July 18, UC President Janet Napolitano – on behalf of the UC system – joined in signing a [letter](#) to Speaker of the House Paul Ryan (R-WI), House Democratic Leader Nancy Pelosi (D-CA), Senate Majority Leader Mitch McConnell (R-KY) and Senate Democratic Leader Chuck Schumer (D-NY), urging congressional leadership to promote legislation that would index Pell Grants to inflation indefinitely.

In the FY 2018 Labor, Health and Human Services, Education and Related Agencies Appropriations bill that passed out of the full Committee on July 24, members of the committee did not provide for an increase in the maximum Pell Grant award, which will remain fixed at \$5,920 for the 2018-19 academic year. Should the maximum Pell Grant remain at the current level, the value of the Pell Grant will steadily erode, and the cost of obtaining a degree for Pell recipients will increase. FGR will continue to advocate for full funding of the Pell Grant program, resist attempts to further draw down the Pell Grant surplus – which has been cut by more than

50 percent in one year – and provide for steady increases in the maximum Pell Grant award to ensure the value of Pell Grants do not deteriorate further. For additional information, please contact Carl Welliver at Carl.Welliver@ucdc.edu or 202-974-6302.

POLICY AND REGULATORY UPDATE

340B Drug Discount Program

On July 20, the Centers for Medicare and Medicaid Services (CMS) issued a [proposed rule](#) addressing the 340B drug discount program, which provides savings of between 25-50 percent on outpatient prescription drugs purchased by hospitals with a disproportionate share of low-income patients.

The proposed rule would cut the 340B savings that Disproportionate Share Hospitals (DSH) generate when prescribing discounted outpatient prescription drugs. If implemented, the proposed rule would require DSH hospitals participating in the 340B Drug Pricing Program to share savings generated from Medicare beneficiaries with the Medicare program, thereby reducing financial savings that they can invest in providing further health care services to low-income patients. FGR is working with UC Health to develop comments in response to the 340B provisions of CMS' proposed rule. For additional information, please contact Julie Clements at Julie.Clements@ucdc.edu or 202-974-6309.

Site-Neutral Payments - Hospital Outpatient Departments

In another provision of the Outpatient Prospective Payment System (OPPS) [proposed rule](#) issued by CMS on July 20, modifications to the Medicare OPPS and ambulatory surgery center (ASC) payment systems would reduce reimbursements to new hospital outpatient departments (HOPDs). These reimbursement changes would not affect existing facilities currently eligible for the higher OPPS payment rates, but would subject new or repurposed HOPD facilities to payment reductions. UC is evaluating its five medical centers' HOPDs to determine if any facilities would be subject to payment reductions under the proposed OPPS rule. For additional information, please contact Julie Clements at Julie.Clements@ucdc.edu or 202-974-6309.

H-1B Visas

On July 24, the United States Citizenship and Immigration Services [announced](#) that it would resume "premium processing" of H-1B skilled-worker visa applications for special categories of applicants – including institutions of higher education – effective immediately. As UC follows an academic calendar, an expedited visa approval process is important to ensure that international faculty and researchers can begin their instruction and research at the beginning of the academic year.

The announcement follows several efforts to reinstate the program, including a conference call that UC's international student services directors conducted with the executive director of the Office of Academic Engagement at the Department of Homeland Security (DHS) in May. In April, immediately after DHS suspended the program, Sen. Dianne Feinstein (D-CA) joined a bipartisan letter sent by Sens. Chuck Schumer (D-NY) and John Cornyn (R-TX) urging the department to resume the services for U.S. colleges and universities. For additional information, please contact Carl Welliver at Carl.Welliver@ucdc.edu or 202-974-6302.

ADVOCACY UPDATE

Federal Investment in Education and Research Campaign

In July, the University of California launched a coordinated advocacy campaign focusing on the need for federal support for education and research in the FY 2018 budget, which complements the university's ongoing governmental relations activities. FGR worked closely with UC's marketing and communications and state government relations offices to develop, through the UC Advocacy Network (UCAN), a [call-to-action campaign](#) that allows university advocates to write and call their members of Congress and express support for robust and sustained funding for the programs of priority to the university, especially as they relate to the research and education portfolios. The effort launched on July 12 with a message to UCAN advocates from UC President Janet Napolitano, calling on them to take action. The campaign was also shared widely at the system and campus levels.

As part of the campaign, FGR updated the [Federal Advocacy Toolkit](#) to focus on both education and research priorities. The toolkit includes talking points, fact sheets and guides for meeting with congressional members and engaging on social media, as well as other valuable advocacy resources. 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. For additional information, please contact Nicole Carlotto at Nicole.Carlotto@ucdc.edu or 202-974-6325.

UC Council of Vice Chancellors for Research Meeting in Washington, DC

On June 28-29, the Council of Vice Chancellors for Research, senior leadership from the Office of the President and campuses' governmental relations representatives gathered at the UC Washington Center for a meeting hosted by UC FGR. The participants met with several executive branch science and technology leaders and other experts to discuss federal research and education initiatives and opportunities related to UC's budget and policy priorities. On the second day, the group held joint and individual meetings with the offices of the California senators, House members and other congressional leaders and staff.

Guest speakers included: Michael Lauer, deputy director for extramural research, NIH; Steve Binkley, acting director for science programs, Office of Science, Department of Energy (DOE); Dimitri Kusnezov, chief scientist, National Nuclear Security Administration (NNSA), DOE; Kathleen Alexander, assistant deputy administrator for research, NNSA, DOE; and Kent Rochford, acting director, National Institute of Standards and Technology. Other speakers included Marcia McNutt, president of the National Academy of Sciences, as well as other experts on research administration and oversight topics. For additional information, please contact Marjorie Duske at Marjorie.Duske@ucdc.edu or 202-974-6306, or Chris Carter at Chris.Carter@ucdc.edu or 202-974-6310.

FEDERAL CAMPUS ENGAGEMENT

- On July 6, Rep. **Mark Takano** (CA-41), visited **UC Riverside** for a roundtable discussion with student veterans.
- On July 7, **Sen. Dianne Feinstein** (CA), visited **UC San Francisco** Benioff Children's Hospital, followed by a press conference. Sen. Feinstein met with mothers of children at UCSF's Intensive Care Nursery.

- On July 28, **Robin Staffin**, director for basic research at the Department of Defense, visited **UC San Diego Scripps Institute of Oceanography**, and met with Margaret Leinen, vice chancellor for marine sciences and director, and Department of Defense funded principle investigators.

Federal Update
A publication of the University of California's Office of Federal Governmental Relations

Interim Associate Vice President - Chris Harrington 202-974-6314

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
Director of Education.....	Vacant

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