



# FEDERAL UPDATE

## June 2016

The Report on Congressional & Administration Activities

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

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### WASHINGTON UPDATE

Throughout May, Congress continued to work on funding legislations for Fiscal Year (FY) 2017, with three bills passed out of the Senate and one bill passed out of the House. University of California (UC) Federal Governmental Relations (FGR) is actively engaged in appropriations advocacy efforts and is working with the California congressional delegation and other key policymakers to support the University's key priorities. More information can be found below.

Also in May, President Napolitano was in Washington, DC to meet with President Barack Obama, Vice President Joe Biden and the cabinet secretaries for the departments of energy, education and agriculture to advocate for the University's priorities and to update them on a number of UC initiatives. Details about the President's visit are included below.

May also saw several advocacy events, including the UC-sponsored congressional briefing "[UC Research: Pioneering the Clean Energy Future](#)," as well as Capitol Hill visits by the UC Berkeley graduate assembly. Further information is below.

### FISCAL YEAR 2017 APPROPRIATIONS

To date, no [FY 2017 appropriations legislation](#) has been signed into law; however, the Senate has passed three bills – Energy and Water, Transportation and Housing and Urban Development, and Military and Veterans – while the House has passed one – Military and Veterans. Below are highlights of [UC priorities](#) within the FY 2017 appropriations bills considered in the House and the Senate so far:

#### **Agriculture**

On May 19, the Senate Appropriations Committee approved the FY 2017 Agriculture Appropriations bill, one month after the House Appropriations Committee approved its own version. The Senate bill totals \$147.7 billion, including \$21.25 billion in discretionary funding, which is \$250 million below the FY 2016 enacted level. Similar to the House version, the Senate Committee provides \$375 million for the Agriculture and Food Research Initiative competitive grants program—\$25 million more than appropriated last year. The "capacity grants" programs—Hatch Act, Smith-Lever 3(b)-(c) and McIntire-Stennis—were flat funded at \$244 million, \$300 million and \$34 million respectively.

### **Commerce, Justice and Science**

On May 24, the House Appropriations Committee approved the FY 2017 Commerce, Justice, Science Appropriations bill. The legislation allocates \$56 billion in total discretionary funding, an increase of \$279 million over FY 2016 and \$1.4 billion above the President's request. The House bill includes \$5.6 billion for the National Oceanic and Atmospheric Administration and \$19.5 billion for the National Aeronautics and Space Administration. The National Science Foundation would receive \$7.4 billion, which is \$57 million below the FY 2016 enacted level and \$158 million below the President's request. The Senate previously passed its version out of committee in April; for details please see the [May Federal Update](#).

### **Defense**

In May, both the House and Senate Appropriations Committees advanced FY 2017 Defense Appropriations legislation. The House version provides \$517.1 billion in discretionary funding – an increase of \$3 billion above the FY 2016 enacted level, but \$587 million below the President's request. The bill adopts the cuts to defense basic research proposed by the Administration. The Defense Advanced Research Projects Agency (DARPA) would receive \$3 billion, which meets the President's request; however, due to an unspecified reduction of \$50 million to the DARPA budget, DARPA would only receive a 1.9 percent increase above FY 2016 levels.

The Senate version provides \$515.9 billion in base Department of Defense funding, which include \$2.3 billion in basic research investments, \$163 million above the President's request. In the Senate version, DARPA would receive a smaller increase at 1.4 percent.

### **Energy and Water**

On May 12, the Senate passed its first FY 2017 appropriations bill, Energy and Water, in a vote of 90-8. The \$37.5 billion bill provides \$5.4 billion for science research, \$50 million above the FY 2016 enacted level. The Advanced Research Projects Agency-Energy is funded at \$325 million, which is an 11.7 percent increase.

On May 24, the House rejected its version of the FY 2017 Energy and Water Appropriations bill in a vote of 112-305 due to an amendment aimed at barring federal contractors from discriminating against lesbian, gay, bisexual and transgender employees.

### **Appropriations Advocacy**

UC FGR continues to advocate, in partnership with our campus and lab colleagues, to members of Congress and the House and Senate Appropriations Committees for the passage of final FY 2017 appropriations legislation with the highest possible funding levels for the program priorities of the University. For additional information, please contact Marjorie Duske at [Marjorie.Duske@ucdc.edu](mailto:Marjorie.Duske@ucdc.edu) or 202-974-6306, or Carolyn Henrich at [Carolyn.Henrich@ucdc.edu](mailto:Carolyn.Henrich@ucdc.edu) or 202-974-6308.

## **POLICY AND REGULATORY UPDATE**

### **Department of Labor Overtime Final Rule**

On May 18, the Department of Labor announced its [final rule](#) to update the current Fair Labor Standards Act regulations on overtime pay for “executive, administrative, professional, outside sales and computer employees.” Currently, employers are required to pay overtime to professional employees if their salaries are below \$23,660, and effective December 1, 2016, the cap will increase to \$47,476. The rule also provides for an adjustment of the cap every three years to prevent wage stagnation.

UC commented on the proposed rule when it was issued, and overall supported the Administration’s efforts to update the regulations. However, UC outlined the impact the proposed rule would have on certain academic positions, such as postdoctoral scholars and research specialists, that are a key component of the workforce and research mission of the University. UC made the case that postdoctoral scholars—even though they have earned their PhDs—are still gaining additional training and mentorship in their areas of research. Because their work is not easily quantified within a 40-hour workweek, UC and other universities believe that postdoctoral scholars and research specialists should be excluded from the proposed rule.

The final rule does not provide an exemption for postdoctoral scholars and research specialists, but National Institutes of Health (NIH) Director Francis Collins and Secretary of Labor Tom Perez announced that they are working together in an effort to increase NIH awards to conform to the new income threshold, which will help mitigate the financial impact on research universities.

UC is looking at its academic personnel policies and structures, and in the next several months will work to comply with the new federal regulations. For additional information, please contact Carolyn Henrich at [Carolyn.Henrich@ucdc.edu](mailto:Carolyn.Henrich@ucdc.edu) or 202-974-6308.

### **Fair Chance Higher Education Pledge**

The White House has taken numerous steps to reform America’s criminal justice system and recent efforts have focused on helping people who have been in the system get their lives back on track by enrolling in postsecondary education. President Barack Obama is asking colleges and universities to adopt “ban the box” policies that would stop or delay asking about applicants’ criminal history when they apply for admission in order to give them a fair chance for evaluation based on their academic qualifications.

These efforts are part of a challenge to higher education institutions called the “Fair Chance Higher Education Pledge,” which represents a call-to-action for the nation’s academic community. UC President Janet Napolitano discussed this issue with President Obama and Secretary of Education John King during her visit to Washington, DC in May, and UC has been supportive of the overall effort. UC does not ask about criminal convictions on its admissions applications, but we have agreed to support the White House in getting others to support the pledge.

At a May UCLA event, at which Secretary King announced the pledge, President Napolitano stated, “I wholeheartedly support Secretary King’s ‘Beyond the Box’ initiative, and I believe there are better ways to ensure campus safety than stigmatizing those who are trying to better their

lives through higher education. The University of California represents opportunity, not punishment. UC campuses don't ask applicants for admission to provide information about past criminal convictions, and our admissions directors see no need to do so." For additional information, please contact Carolyn Henrich at [Carolyn.Henrich@ucdc.edu](mailto:Carolyn.Henrich@ucdc.edu) or 202-974-6308.

### **Free Application for Federal Student Aid Comments Submitted to the Department of Education**

On May 27, UC President Janet Napolitano submitted comments to the Department of Education (ED) in response to a call for feedback on the draft 2017-18 Free Application for Federal Student Aid (FAFSA). UC applauded ED for its efforts to improve the FAFSA, which includes use of data-retrieval tools (DRT) that allow students and parents to electronically transfer their tax information from the Internal Revenue Service (IRS) to the FAFSA on-line, and "skip logic" that enables applicants to pass over questions that are not applicable. UC recommended that ED expand tools like these, which could further reduce the burden on applicants and their families and encourage more students to attend college and receive federal financial aid.

UC is especially pleased that ED will implement the use of "prior-prior-year" data for the first time, a process that will allow families to use the tax information they have on hand when their children apply to college. Beginning October 1, 2016, students will be allowed to file their FAFSA for the 2017-18 academic year using the 2015 taxes they filed. Students will have three additional months to make informed decisions about where to apply and how to pay for college. For additional information, please contact Carolyn Henrich at [Carolyn.Henrich@ucdc.edu](mailto:Carolyn.Henrich@ucdc.edu) or 202-974-6308.

### **Hospital Outpatient Department Site-Neutrality Updates**

On May 16, the House Ways and Means Committee announced a hospital package that includes a few work arounds for Hospital Outpatient Department (HOPD) site-neutrality. [The Helping Hospitals Improve Patient Care Act of 2016](#) includes a "mid-build fix" for hospitals that were in development as of November 2, 2015, when Section 603 went into effect. The HOPDs will have to attest to this and have proof that development began prior to November 2<sup>nd</sup>. This would be paid for by a small reduction in the hospital inpatient documentation and coding adjustments in the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) update. Additionally, dedicated cancer centers would be carved out of Section 603 and the cost offset by a reduction in the payments cancer hospitals currently receive. The House committee marked up and passed the legislation out of committee by voice vote on May 24. UC supports the legislation and FGR is monitoring when this legislation will move to the House floor and potential Senate action.

Additionally, the House and Senate circulated Dear Colleague letters urging the Center for Medicare and Medicaid Services (CMS) to be flexible in implementing changes affecting HOPDs this summer. The House letter requests that they include flexibility in the following areas: additional services provided at emergency departments, relocation or rebuilding of already existing outpatient departments, change of ownership of existing sites and interpretation of the definition of "on campus." The Senate letter requests these flexibilities and one additional: expansion of types of outpatient services. FGR was successful in getting over 30 members of the California delegation, including Senators Barbara Boxer and Dianne Feinstein, to sign on to

those letters, which have now been submitted to CMS. For additional information, please contact Julie Clements [Julie.Clements@ucdc.edu](mailto:Julie.Clements@ucdc.edu) or 202-974-6309, or Jessica Pinckney at [Jessica.Pinckney@ucdc.edu](mailto:Jessica.Pinckney@ucdc.edu) or 202-974-6302.

### **Cancer Moonshot Initiative Updates**

On May 25, Vice President Joe Biden announced on a stakeholder call that the White House will hold a National Cancer Moonshot Summit on June 29<sup>th</sup>. The Vice President is encouraging organizations and individuals to host similar summits in their communities across the country on that day. Dr. Jill Biden will attend one of these summits, but the location has not yet been determined. It is expected that this summit will also highlight many of the commitments that institutions and organizations submitted to the White House initiative in May to “break down barriers impeding progress in cancer research, prevention, diagnosis and treatment.” FGR has requested that campuses that submitted commitments or intend to host a summit share that information for coordination efforts. For additional information, please contact Jessica Pinckney at [Jessica.Pinckney@ucdc.edu](mailto:Jessica.Pinckney@ucdc.edu) or 202-974-6302.

### **ADVOCACY UPDATE**

#### **UC President Janet Napolitano Visits Washington, DC**

In mid-May, UC President Janet Napolitano was in Washington, DC to meet with President Barack Obama, Vice President Joe Biden and the cabinet secretaries for energy, education and agriculture to highlight how UC is helping to drive solutions to some of world’s most pressing challenges.

In her meeting with Vice President Biden, President Napolitano discussed UC’s role in the [Cancer Moonshot Initiative](#), which Vice President Biden leads. The federal initiative aims to accelerate the prevention, detection and treatment of cancer. In a meeting with Secretary of Energy Ernest Moniz, President Napolitano reiterated UC’s support for the Department of Energy’s [Mission Innovation](#) efforts, which aims to combat global climate change and spur innovations in clean energy.

On the educational access front, President Napolitano discussed FAFSA simplification, year-round Pell Grants and ways to further combat sexual violence and sexual assault on college campuses with Secretary of Education John King. During her meeting with Secretary of Agriculture Tom Vilsack, President Napolitano focused on UC’s [Global Food Initiative](#) and [Carbon Neutrality Initiative](#), through which the university is focusing its collective research and operational prowess on issues of food security, health, clean energy and sustainability.

An [article](#) published in the UC Newsroom includes further details about President Napolitano’s meetings with Washington leaders.

#### **UC Congressional Briefing – UC Research: Pioneering the Clean Energy Future**

UC FGR organized a briefing on Capitol Hill on May 24 entitled “[UC Research: Pioneering the Clean Energy Future](#).” The moderated panel discussion featured UC Executive Vice President (EVP) and Chief Operating Officer Rachael Nava; UC Irvine Vice Chancellor for Administrative and Business Services Wendell Brase; UC Davis Professor of Biological and Agricultural Engineering Ruihong Zhang; and co-founder of the Lawrence Berkeley National Laboratory’s clean tech business incubator Cyclotron Road, Sebastien Lounis.

EVP Nava and her fellow UC panelists leveraged UC President Janet Napolitano’s Carbon Neutrality Initiative as the context for a robust discussion about UC’s national leadership in clean energy innovation, renewable energy and energy efficiency in both research and operations, and [sustainable University practices](#). The panelists also discussed some of the challenges and successes for technology licensing and commercialization of new clean energy ideas, and industry partnerships that enable the campuses to make progress on their individual carbon neutrality goals.

The briefing was attended by staff from the California congressional delegation and congressional committees, officials from federal agencies, and representatives of other institutions of higher education and non-profit scientific societies. The event was an excellent opportunity for UC to highlight its forward-leaning posture on researching and implementing the clean energy solutions that will help improve our collective sustainable future.

FGR coordinated with UC communications to highlight the event in a UC News [article](#) as well as through [social media](#).

For additional information, please contact Marjorie Duske at [Marjorie.Duske@ucdc.edu](mailto:Marjorie.Duske@ucdc.edu) or 202-974-6306 or Chris Carter at [Chris.Carter@ucdc.edu](mailto:Chris.Carter@ucdc.edu) or 202-974-6310.

**UC Berkeley Graduate Assembly Student Advocacy**

On May 24, student leaders representing the UC Berkeley Graduate Assembly (GA) traveled to Washington, DC to meet with members and staff of the California congressional delegation as part of its overall advocacy efforts. The GA works to develop solutions around issues that affect graduate students, and each year selects delegates to carry the message to the nation’s capital. This year, the GA focused on sexual assault and sexual violence on campus, student aid for graduate students, increased research funding and overall education appropriations. The students met with Senators Dianne Feinstein and Barbara Boxer’s staff as well as six California House offices, including Democratic Leader Nancy Pelosi. For additional information, please contact Carolyn Henrich at [Carolyn.Henrich@ucdc.edu](mailto:Carolyn.Henrich@ucdc.edu) or 202-974-6308.

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