



# FEDERAL UPDATE

## May 2016

The Report on Congressional & Administration Activities

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### WASHINGTON UPDATE

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

FGR was also involved in numerous UC-related advocacy activities, including the Coalition for National Science Funding Capitol Hill Exhibition and Student Advocates for Graduate Education Capitol Hill Day. Details about these advocacy activities, and others, are below.

Also included below are details about the recently announced White House student debt challenge commitments, the Internal Revenue Service Form 1042-S, the Centers for Medicare and Medicaid Services delayed release of the Hospital Compare overall star ratings and the Cancer Moonshot Initiative blue ribbon panel.

### FISCAL YEAR 2017 APPROPRIATIONS

To date, no appropriations legislation has been signed into law; however, the House has passed three bills out of committee and the Senate has passed four out of committee. Below are highlights on UC priorities within the FY 2017 appropriations bills considered in the House and the Senate thus far.

#### **Agriculture**

On April 19, the House Appropriations Committee approved the FY 2017 Agriculture Appropriations bill by a voice vote. The bill totals \$21.3 billion in discretionary funding, which is \$451 million lower than the FY 2016 enacted level and \$281 million below the President's Budget Request. The committee provides \$375 million for the Agriculture and Food Research Initiative (AFRI) competitive grants program—\$25 million more than appropriated last year. However, the bill did not address the President's request for \$325 million in additional mandatory funding for AFRI. 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. The Senate has not yet acted on this bill.

## **Energy and Water**

In April, both the House and Senate Appropriations Committees passed FY 2017 Energy and Water Appropriations bills. The House version totals \$37.4 billion, which is \$259 million above the FY 2016 enacted level and \$168 million above the President's Budget Request. Approval of the Senate bill, totaling \$37.5 billion, was delayed in the full Senate during the last week of April, due to a controversial amendment regarding the Iran nuclear deal. Both versions provide \$5.4 billion for the Department of Energy Office of Science, \$50 million more than appropriated in FY 2016. The Advanced Research Projects Agency-Energy (ARPA-E) is funded at \$325 million in the Senate bill and \$306 million in the House bill—respectively, \$33 million and \$15 million more than was appropriated in FY 2016. The Senate returns from their spring recess the week of May 9 and according to media reports, there is still no resolution to the fight over the controversial amendment regarding the Iran nuclear deal.

## **Commerce, Justice and Science**

On April 21, the Senate Appropriations Committee advanced the FY 2017 Commerce, Justice and Science Appropriations bill. The bill allocates \$56.3 billion, which is \$563 million above the FY 2016 enacted level and \$1.6 billion above the President's Budget Request. It includes \$5.7 billion for the National Oceanic and Atmospheric Administration (NOAA) and \$19.3 billion for the National Aeronautics and Space Administration (NASA), with increases for exploration and cuts to science and aeronautics programs. The National Science Foundation (NSF) would receive \$7.5 billion, an increase of \$46 million over FY 2016. NSF Research and Related Activities would be flat funded at \$6.03 billion. The House has yet to act on its bill.

## **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**

### **White House Student Debt Commitments**

In response to a call-to-action from the White House, President Napolitano committed to regularly inform the UC system's more than 246,000 students and 200,000 faculty and staff about the income-driven federal student repayment options offered by the US Department of Education. UC also committed to inform all those in its University community about public service loan forgiveness, which is also available to many UC student borrowers. These actions were in response to the White House "[Student Debt Challenge](#)," which is intended to increase awareness of the flexible repayment programs that help Americans manage their student loan debt.

UC has high enrollment of low-income students, excellent graduation rates for its students and strong state and institutional aid that help its students finance their education. Nearly half of UC undergraduates do not have loans when they graduate, and for those students who borrow, the average debt is well below the national average. Nonetheless, it is important to make sure students, employees and staff have clear and complete information about the federal loan

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

### **Internal Revenue Service Form 1042-S**

Each year, thousands of international students and scholars at US colleges and universities file taxes for institutional financial aid or scholarships they receive when the total exceeds the cost of their tuition and other required, qualified educational fees. The additional funds, which students use to cover room and board and personal expenses, are considered taxable income, so colleges and universities must withhold taxes and report it to the Internal Revenue Service (IRS) using the Form 1042-S. The students also use this form to prepare and file their taxes.

A problem has emerged with the 2014 tax year where the IRS identified “mismatches” of information on the forms filed by international students and the forms filed by universities and colleges. The IRS claims that the taxable income provided by certain student tax filers on their Form 1042-S does not match information provided by their university, and has sent letters to these students instructing them to resolve the issue with their institution.

The universities have not been able to find the same mismatches and, unfortunately, the source of the problem has not yet been fully identified, leading the IRS to withhold refunds in the mismatched cases. Some student filers have been informed that the IRS would require an additional 180 days to review their returns and others have received no information at all. Furthermore, some student filers were billed for additional amounts, received letters from the IRS denying their claims, received threats of liens on property and/or had “payments” for 2014 taken against their 2015 refunds.

The National Association of College and University Business Officers (NACUBO) is leading efforts in the higher education community to reach out to the IRS for answers, particularly since more taxpayers will be affected in the 2015 tax year. IRS Commissioner John Koskinen has been notified of the issue and the higher education community is hopeful he will be able to identify the cause and outline a specific and workable solution for affected students and institutions. For additional information, please contact Carolyn Henrich at [Carolyn.Henrich@ucdc.edu](mailto:Carolyn.Henrich@ucdc.edu) or 202-974-6308.

### **CMS Delays Release of Hospital Compare Star Ratings**

On April 20, the day before its intended release, the Centers for Medicare and Medicaid Services (CMS), in response to concerns from hospitals and associations, announced that it would delay the release of the Hospital Compare overall star ratings until at least July. This new time frame gives CMS the opportunity to review the methodology used to rate the hospitals, to ensure that it is accurate. This decision follows letters sent from both the House and the Senate to CMS requesting a delay over concerns surrounding the methodology. The Senate letter was signed by 60 senators and the House letter was signed by 225 members (10 of which were from the CA delegation). CMS will hold a [national provider call](#) on May 12 to answer stakeholder questions and discuss updates to the methodology following the release of the dry run reports in August 2015 and January 2016. Additionally, CMS will allow a preview period of the July Hospital Compare overall star ratings, which began on May 6. Hospitals have 30 days to review their data. For additional information, please contact Jessica Pinckney at [Jessica.Pinckney@ucdc.edu](mailto:Jessica.Pinckney@ucdc.edu) or 202-974-6302.

### **National Institutes of Health Announces Cancer Moonshot Blue Ribbon Panel**

On April 4, the National Cancer Institute (NCI), part of the National Institutes of Health (NIH), announced a blue ribbon panel, consisting of cancer experts, patient advocates and scientists, that will help inform the goals and direction of the National Cancer Moonshot Initiative. The panel will be responsible for determining how to advance the themes of the initiative, which include development of cancer vaccines, approaches to early detection, advances in immunotherapy, single-cell genomic profiling of cancer cells, increased data sharing and new approaches to treatment of pediatric cancers. Mitch Berker, M.D., professor and chair, Department of Neurological Surgery, UCSF; Jeff Bluestone, Ph.D., A.W. and Mary Margaret Clausen Distinguished Professor, UCSF; and Maria Elena Martinez, Ph.D., professor of family medicine and public health, reducing cancer disparities program, UC San Diego Moores Cancer Center are members of the panel. For additional information, please contact Jessica Pinckney at [Jessica.Pinckney@ucdc.edu](mailto:Jessica.Pinckney@ucdc.edu) or 202-974-6302.

### **ADVOCACY UPDATE**

#### **Coalition for National Science Funding Day on Capitol Hill**

On April 26, teams of researchers from UC Berkeley, UC Davis, UC Irvine, UCLA, UC Riverside and UC Santa Barbara participated in the annual Coalition for National Science Funding (CNSF) Day on Capitol Hill. Faculty and students from the six campuses met with 28 members of Congress or their staff to discuss the [impact of National Science Foundation \(NSF\)-sponsored research](#) on California, and talk about their own NSF-funded research. This year, all of the UC research teams highlighted their work in fields related to earth science, water resources, sustainable energy issues, technology commercialization and science, technology, engineering and math (STEM) education. Following a day of congressional meetings, the UC teams joined about 30 other universities and scientific societies in displaying their work at an exhibition and reception attended by several members of Congress and NSF Director France Córdova. UC communications highlighted the day's events [in an article on the UC website](#) and through social media, including multiple [Twitter posts](#). For additional information, please contact Chris Carter at [Chris.Carter@ucdc.edu](mailto:Chris.Carter@ucdc.edu) or 202-974-6310.

### **Education-Related Advocacy**

#### **Student Advocates for Graduate Education Advocacy Days**

From April 9-13, the Student Advocates for Graduate Education (SAGE) held its annual spring advocacy event in Washington, DC. SAGE is a coalition of graduate students at US public research institutions that is committed to improving access, quality and opportunity for graduate and professional students. Graduate students from UCLA and UC San Diego participated in the events and visited a number of Capitol Hill offices.

SAGE delegates advocate on issues agreed to by the membership and in turn, develop white papers for each topic. This year, SAGE focused on student debt, which they see as an obstacle to graduate education; campus wellness, which is a necessary component for the success of America's future leaders; and increased research funding, which is critical to the groundbreaking research and development underway at member institutions.

**American Educational Research Association 2016 Annual Meeting**

From April 8-12, the American Educational Research Association (AERA) organized an “Advocacy on the Hill” event as part of its meeting in Washington DC.

UC was represented by researchers from UC Irvine and UC Riverside who, with FGR staff, made several visits to Capitol Hill offices to explain their individual research and how their findings are improving student education outcomes. Their message focused on the importance of Congress prioritizing research and promoting an increased investment in the work that is advancing teaching and learning at all levels, even in exceedingly difficult funding years.

**Council on Undergraduate Research – Posters on the Hill**

On April 20, the Council on Undergraduate Research hosted its 20<sup>th</sup> annual “Posters on the Hill” event, which is aimed to help members of Congress understand the importance of undergraduate research and the research funding they support through a variety of federal agencies. This year, sixty top student research projects were selected out of hundreds of applications and the students visited Washington, DC to showcase their projects. In visiting Capitol Hill, the students were able to talk directly to their members of Congress and staff about the funding that supports their work, and stress how critical federal funding is for continued opportunities for undergraduate research.

Kyrollos Yanny and Patrick Wolf, undergraduate students at UCLA, were selected to participate due to their work developing an automatic submersible microscope that uses digital holographic imaging to monitor waterborne pathogens in real-time.

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

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