



UC DAVIS FEDERAL RELATIONS UPDATE
August 30, 2013

Gina Banks, Director, Federal Government Relations

Next week, Congress returns from their August recess. There are several **looming issues** on the horizon:

- Farm Bill expiration on September 30,
- FY2013 appropriations expiration at the end of September
- debt ceiling limit being reached in mid-October.

In the last days before August recess, Congress passed the “**Bipartisan Student Loan Certainty Act of 2013**,” which ties the federal loans to a market-based rate. This change will save undergraduates, graduate students and parents money in the short-term, but is projected to cost more in the long-term. The bill pegs the interest rate for federally subsidized and unsubsidized loans for undergraduates at the 10-year Treasury bond yield plus 2.05 percent, with rates for unsubsidized loans for graduate students at plus 3.6 percent, and for parents at plus 4.6 percent. The rates will be capped at 8.25 percent for undergraduates, at 9.5 for graduate students, and at 10.5 percent for parents. For undergraduates this fall, the loan rate will be 3.86 percent. Responding to concerns that this bill would raise student loan interest rates over the long term, Senator Tom Harkin (D-IA), chair of the Senate Health, Education, Labor, and Pensions Committee, said he expected to revisit the issue during reauthorization of the Higher Education Act.

In June, the Senate passed a **comprehensive immigration reform bill**. The House indicated that they will take an incremental approach to immigration reform. During the August recess, the higher education community and immigrant advocates targeted members of the House of Representatives to ask for their support for comprehensive reform. Chancellor Katehi sent a letter to Congressman Doug LaMalfa (R-CA) urging him to support immigration reform. Assemblyman Jeff Gorell and Senator Anthony Cannella (both UC Davis alums) were part of a delegation of California state legislators who went to DC earlier this summer to advocate for immigration reform and they included Chancellor Katehi’s op-ed in support of immigration reform in the “leave behinds” they provided to members of Congress.

Last week, President Obama released his proposal to **make college more affordable** for American families. His plan would tie financial aid to institutional and student performance, promote innovation and keep student debt reasonable through income-based repayment. UC Davis is a

leader in high quality, broadly accessible higher education. As details of the President's plan are developed, we will work with the Administration towards achievement of our shared goals.

Questions or need assistance

If you have questions, need additional information about any of the above items, or would like assistance in connecting with senior federal officials, please let me know. I can be reached at gabanks@ucdavis.edu or at 530-752-9795.