



FEDERAL UPDATE

July 2014

The Report on Congressional & Administration Activities

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WASHINGTON UPDATE

June and July were busy months with progress being made on several appropriations bills for fiscal year (FY) 2015. Despite the progress made, the House and Senate have yet to pass all twelve bills. Details about the appropriation process are highlighted below.

A significant amount of legislative and agency activity occurred over the last couple of months. Progress was made on the COMPETES Act and legislation to address scientific research funding and goals. Additionally, prior to adjournment for the August recess, both the House and

Senate agreed to legislation that would alter health care and tuition services provided to veterans. Also, Senator Elizabeth Warren (D-MA) introduced legislation on student loan refinancing and a bipartisan group of senators introduced legislation to address sexual assault on college campuses. Progress was also made on the Higher Education Act in the House. Additionally, the Centers for Medicare and Medicaid Services (CMS) released its annual Outpatient Prospective Payment System (OPPS) proposed rule. Details about these legislative and regulatory issues can be found below.

FISCAL YEAR 2015 APPROPRIATIONS

Throughout June and early July, the House and Senate worked on several FY 2015 appropriations bills – including Commerce, Justice, Science; Defense; Energy and Water; Environment and Interior; and Labor, Health and Human Services and Education legislation. However, work on these measures stalled in July as the Appropriations Committees shifted their attention to an emergency supplemental appropriations request from the White House to address Southwest border security, the care of unaccompanied minors, and wildfire suppression and prevention. Below are brief details of recent progress made on the FY 2015 bills:

Commerce, Justice and Science and Transportation, Housing and Urban Development

On June 5, the Senate Appropriations Committee approved the FY 2015 Commerce, Justice, Science and Related Agencies Appropriations bill (CJS) and the FY 2015 Transportation, Housing and Urban Development and Related Agencies Appropriations bill (THUD). Both measures received bipartisan support. The CJS legislation was funded at \$51.2 billion, which is \$395 million below FY 2014. The National Science Foundation was funded at the President's request of \$7.26 billion. The House passed version provided \$7.4 billion for the NSF. NASA Science was funded at \$5.2 billion, \$200 million above the President's request, slightly less than the House. The Senate also provided significantly higher funding levels than the House for NOAA Climate Research programs, although they were modest increases over FY 2014 levels

and lower than the President's request. The THUD bill provides a total of \$54.4 billion in discretionary budget authority for fiscal year 2015.

On June 17, the full Senate began consideration of a combined FY 2015 Agriculture-CJS-THUD "minibus." However, the measure stalled shortly thereafter, and the full Senate has not taken up regular FY 2015 appropriations legislation since then.

Defense

On July 17, the Senate Appropriations Committee approved its FY 2015 Department of Defense bill. The measure provides \$542.7 billion, a decrease of \$22 billion from FY 2014. However, the bill provided \$2.27 billion for 6.1 defense basic research programs, a 5 percent increase over FY 2014. Defense Advanced Research Projects Agency (DARPA) would also benefit from a 5 percent increase and peer-reviewed Traumatic Brain Injury and Psychological Health programs under the Defense Health Program would receive a \$60 million increase above the President's request. By contrast, the House passed its Defense appropriations bill on June 20, cutting defense basic research by 6.5 percent below the FY 2014 levels, roughly comparable to the President's request.

Energy and Water

On July 10, the House approved the FY 2015 Energy and Water Appropriations legislation. The legislation provides \$35 billion for FY 2015, a reduction of \$50 million from FY 2014. The bill provided level funding for the Department of Energy Office of Science and Advanced Research Projects Agency–Energy (ARPA-E) – \$5.07 billion and \$280 million, respectively. On July 24, the Senate Appropriations Committee released its version of the FY 2015 Energy and Water Development Subcommittee-reported bill, which provided \$5.09 billion for the DOE Office of Science and \$280 million for ARPA-E.

Interior and the Environment

On July 15, the House Appropriations Committee approved the FY 2015 Interior and Environment Appropriations legislation. The measure provides \$30 billion, a \$162 million increase above FY 2014. Several programs of importance to UC were flat funded as compared to FY 2014, including the National Endowment for the Humanities at \$146 million; the US Geological Survey (USGS) Water Resources Research Institutes at \$6.5 million; the USGS Global Seismographic Network at \$4.9 million. The USGS Earthquake Hazards program received \$59.5 million, including a \$5 million increase for Earthquake Early Warning. The USGS Climate and Land Use Change programs received \$133.4 million, including a \$5 million increase for Climate Science Centers.

Labor, Health and Human Services, and Education, and Related Agencies Bill

On June 10, the Labor, Health and Human Services, Education, and Related Agencies (Labor HHS) Subcommittee of the Senate Appropriations Committee marked up the FY2015 appropriations bill. The Subcommittee approved a funding level of \$156.7 billion in base discretionary budget authority, the same as the FY 2014 level. The full Appropriations Committee has not yet taken up the legislation.

Within the HHS section of the bill, the National Institutes of Health (NIH) was allocated \$30.5 billion, an increase of \$605.7 million over FY 2014. Combined with the FY 2014 increase of \$1

billion, this allocation fully replaces the FY 2013 sequester cuts to the NIH, although it does not keep pace with the rate of biomedical inflation. The subcommittee recognized the Brain Research through Application of Innovative Technologies (BRAIN) Initiative, providing it with \$100 million within the NIH, an increase of \$60 million over FY 2014. For additional information regarding NIH funding, please contact Shoshana Derrow at Shoshana.Derrow@ucdc.edu or 202-974-6309.

Overall, the subcommittee bill would provide a 0.3% increase in discretionary funding for the Department of Education. The allocation would maintain discretionary funding for the maximum Pell Grant award at \$4,860 for the 2015-16 academic year. This base amount, combined with the mandatory funding set aside for the program would allow the maximum award to increase by \$100 over this year's level to a total of \$5,830.

The Senate subcommittee bill includes a combined increase of \$50 million for the Federal Work Study and Supplemental Educational Opportunity Grant programs to improve access to postsecondary education for low-income students, and increases the TRiO Programs by \$8.4 million to help low-income and first generation college students plan, prepare for, and succeed in college. The bill would also provide \$75 million for the new "First in the World" Program, with \$20 million of that amount set-aside for Minority-Serving Institutions; an increase of \$9 million for international education, with a significant focus on study abroad programs; and an increase of \$1.7 million for the Graduate Assistance in Areas of National Need (GAANN) program, with a push to include the "humanities" as an area of national need.

To replace the mandatory funds for student loan servicing, which were eliminated in the Bipartisan Budget Act of 2013, the Senate subcommittee bill would provide \$1.4 billion for Student Aid Administration. This account provides necessary support for student loan servicing contractors to maintain effective administration of the programs for millions of borrowers. For additional information, please contact Carolyn Henrich at Carolyn.Henrich@ucdc.edu or 202-974-6308.

Future Appropriations Action

UC FGR will continue to advocate in coordination with our campus colleagues, to members of Congress and the House and Senate Appropriations Committees for the passage of appropriations legislation with the highest possible funding levels for the program priorities of the University. For further information, please contact Marjorie Duske at Marjorie.Duske@ucdc.edu or 202-974-6306.

CONGRESSIONAL LEGISLATIVE ACTIVITY

COMPETES Act Reauthorization Legislation

In June and July, House and Senate committees responsible for science legislation took modest steps toward reauthorization of the America COMPETES Act; however, final legislation remains elusive.

In late July, a Senate draft COMPETES Act reauthorization bill was released that is similar with the 2007 and 2010 COMPETES Acts, which set authorization targets aimed at doubling the

budgets for NSF, the Department of Energy's (DOE) Office of Science and the National Institute of Standards and Technology (NIST) within seven years, established the ARPA-E, and strengthened STEM education programs. The Senate Commerce, Science and Transportation Committee's COMPETES bill authorizes NSF and NIST programs for five years through FY 2019 at meaningful levels, contains language addressing administrative burdens of researchers, and underscores the value of social, behavioral and economic research. A title for energy programs drafted earlier by the Energy and Natural Resources Committee is expected to be added later. The legislation could be marked up in Committee in September.

As previously reported, the House Science, Space and Technology Committee took a diverged and much more controversial approach to COMPETES reauthorization by approving the FIRST Act. UC and the research community opposed the bill for failing to set aspirational funding targets for critical basic research programs, for imposing new restrictions on NSF's scientific review process and new burdens on researchers for the stated purpose of rooting out misconduct, and for drastic cuts to NSF's Social, Behavioral and Economics Directorate. The House Science Committee also released the DOE R&D Act in June, proposing controversial changes in DOE research programs. The bill authorized increases for the DOE Office of Science, but at the expense of climate science and applied and advanced energy technology program budgets. The research community objected to some of the bill's provisions, but supported others. Nevertheless, the committee process broke down and the bill was not marked up.

In July, the House Science Committee shifted strategy to bring several non-controversial provisions from the FIRST and DOE R&D Acts to the House floor for bipartisan votes. The House passed four bills, [H.R. 5031](#), [H.R. 5035](#), [H.R. 5056](#), and [H.R. 5029](#), that would establish an interagency office to coordinate international science activity; establish a working group to review federal regulations affecting university research; authorize NIST; authorize NSF STEM education programs – and adding computer science to the list of STEM disciplines; and authorize the directors of the National Laboratories to enter into public-private research partnerships to commercialize technology.

While further activity on the Senate COMPETES bill is expected in the fall, due to the radically different approaches taken by each chamber, there seems little chance the two legislative efforts can be reconciled in the current Congress. UC FGR will continue to monitor all COMPETES activity as Congress approaches the end of the legislative year. For more information, contact Marjorie Duske at Marjorie.Duske@ucdc.edu or 202-974-6306, or Chris Carter Chris.Carter@ucdc.edu or 202-974-6310.

Veterans Health Care and Tuition Legislation

In July, Congress passed legislation aimed at addressing problems with veterans' access to health care and providing veterans with in-state tuition at public colleges and universities. The Veterans Access, Choice, and Accountability Act of 2014 is expected to cost \$17 billion and will allow the Veterans Administration (VA) to increase VA staffing and expand access to health care services. An amount of \$5 billion will be paid for with savings from programs within the VA, to be decided upon by the House and Senate Veterans' Affairs Committees; the remaining \$12 billion is considered emergency spending and was not offset. The legislation includes \$10 billion to pay for health care services outside of the VA system for veterans who cannot be seen within

30 days at the VA or who are at least 40 miles away from the nearest VA facility; \$5 billion to upgrade facilities and hire additional doctors, nurses and other necessary staff; and \$1.5 billion to lease 27 new clinics across the country. The legislation provides that hospitals that treat veterans will be reimbursed at no greater than Medicare rates and requires the VA Secretary to create rules within the first 90 days after enactment to create a system for prompt payment to providers.

The final package also includes two education-related provisions, which UC supports. The bill would amend the Post-9/11 GI Bill, to:

- Expand eligibility for the *Marine Gunnery Sergeant John David Fry Scholarship* to surviving spouses of service members who died in the line of duty after September 10, 2001. This scholarship was created when the Post 9/11 GI Bill was enacted to provide full tuition and fees, housing allowances, and stipends for books and supplies to children of service members who were killed in the line of duty. Surviving spouses were not included at that time. This new provision will take effect on January 1, 2015.
- Require the VA to disapprove any course of study at public institutions of higher education that charge veterans more than the in-state resident rate, regardless of the veteran's state of residence, if the veteran is living in the state where pursuing that education. This will apply to all veterans and their dependents if they enroll within three years after the veteran's discharge and the in-state tuition rate would apply for the duration the individual remains continuously enrolled at that institution. This provision would apply to programs that begin after July 1, 2015.

On July 30, the House passed the legislation by a vote of 420 to 5. On July 31, the Senate agreed to the legislation by a vote of 91-3. The legislation now awaits the signature of the President. For additional information, please contact Shoshana Derrow at Shoshana.Derrow@ucdc.edu or 202-974-6309 or contact Carolyn Henrich at Carolyn.Henrich@ucdc.edu or 202-974-6308.

Higher Education Act Reauthorization

The House has passed four small bills that supporters expect will eventually be part of a reauthorization of the Higher Education Act (HEA), but that legislation is not likely to be enacted in this Congress. All of these bills are bipartisan, which is a hopeful sign, but they are not very substantive with regard to the major issues in the HEA. These bills would make minor tweaks to current law, and in some cases, do not really change practices that are currently in place. There will be no further advancement until the Senate acts on similar provisions.

UC will continue to work with congressional staff as the legislative process moves forward, and will monitor and review the more comprehensive HEA reauthorization proposals as they become available. The bills adopted by the House in July are:

1. HR 3136, Advancing Competency-Based Education Demonstration Project Act; passed the House on a vote of 414-0. (The Department of Education already allows similar pilot projects).

2. HR 4983, Strengthening Transparency in Higher Education Act; passed the House on a voice vote. During committee consideration, an amendment offered by Congressman George Miller (CA-11), to require use of a Loan Repayment Rate, which UC supports, was defeated. The bill would require that a consumer-tested College Dashboard be created to provide information students need when deciding which school to attend, and would streamline and eliminate unnecessary information and federal transparency initiatives to reduce confusion for students and their families. (Schools already use a similar tool called the College Navigator).
3. HR 4984, Empowering Students Through Enhanced Financial Counseling Act; passed the House on a vote of 405-11. During Committee consideration, Rep. Susan Davis (CA-53) offered an amendment to strengthen the 90-10 rule (which UC supports). Her amendment was ruled “non-germane,” and an appeal was tabled on a party-line vote. This bill would require interactive, annual counseling for students and require the Secretary of Education to develop an online counseling tool institutions can use. (Many institutions are already using online tools).
4. HR 5134, to extend the National Advisory Committee on Institutional Quality and Integrity and the Advisory Committee on Student Financial Assistance for one year; passed the House on a voice vote. Without this bill, these committees are slated to expire at the end of this year.

In the Senate, the Health, Education, Labor, and Pensions (HELP) Committee introduced a draft bill to reauthorize the HEA and is seeking public comments until the end of August. UC is expected to submit comments to the committee. For additional information, please contact Carolyn Henrich at Carolyn.Henrich@ucdc.edu or 202-974-6308.

Senate Student Loan Refinancing Legislation

In June, [UC President Janet Napolitano](#) sent a letter to Senators Feinstein and Boxer thanking them for cosponsoring S. 2432, the Bank on Students Emergency Loan Refinancing Act. At the time, the bill, which was introduced by Senator Elizabeth Warren (D-MA) was expected to be considered soon by the full Senate. Stating that “higher education should be a pathway to opportunity not to lifelong debt,” President Napolitano called on Congress to enact S. 2432 to help reduce the student debt crisis that threatens our economy.

S. 2432 would help borrowers who are struggling to repay loans that were made when interest rates were high by allowing them to refinance federal and private student loans at lower rates. The legislation includes important student-consumer protections, strengthens private lender accountability, and outlines a broad outreach and communications plan for informing borrowers about their eligibility to refinance their loans.

Unfortunately, the Senate was unable to advance the bill to the floor for full consideration. The Senate leadership has expressed interest in bringing the bill up for further consideration in September. For additional information, please contact Carolyn Henrich at Carolyn.Henrich@ucdc.edu or 202-974-6308.

Sexual Assault Prevention Legislation

On July 30, Senator Barbara Boxer (D-CA) and Congresswoman Susan Davis (CA-53) introduced the [Survivor Outreach and Support Campus Act \(SOS Campus Act\)](#), that would

require that all institutions of higher education have an independent advocate on campus to represent the interests and address the needs of student victims of sexual assault. The advocate would be responsible for ensuring that victims of sexual assault have easy access to law enforcement, medical care, counseling, and other support services they want and need.

Senator Boxer expects that her bill will be incorporated into a larger sexual assault prevention measure, the Campus Accountability and Safety Act, that a bipartisan group of senators including, Claire McCaskill (D-MO), Dean Heller (R-NV), Richard Blumenthal (D-CT), Charles Grassley (R-IA), Kirsten Gillibrand (D-NY), Kelly Ayotte (R-NH) and Marco Rubio (R-FL) introduced on July 30 as well. This larger bill is more comprehensive, focusing on school climate, greater accountability and transparency for universities, and increased support for survivors. The Campus Accountability and Safety Act, which is currently being reviewed by the University, would require:

- Colleges and universities to report additional statistics under the Clery Act;
- The Department of Education to develop and administer an online survey of students to measure their experiences with sexual violence and harassment while at the institution;
- Colleges and universities to enter into memoranda of understanding with local law enforcement agencies to share information about certain crimes, including sexual violence, occurring at the institution or against a student of the institution;
- Designation of a confidential advisor role at the institution to whom victims of crime can report anonymously or directly and the public publication of information about resources available to victims;
- Institutions to establish a uniform process for each campus for conducting disciplinary proceedings relating to claims of sexual violence; and,
- The enabling of civil penalties by the Secretary of Education or the Attorney General against institutions who do not meet the requirements of the legislation.

UC supports the Boxer/Davis bill and looks forward to working with the Senate on a comprehensive approach to prevention and response. UC President Janet Napolitano sent a letter to Senator Boxer indicating the University's support for her legislation. A copy of the letter is available [here](#).

All ten UC campuses provide comprehensive programs to respond to, and prevent, sexual violence and sexual harassment and they aim to continually review and improve efforts to make sure the University of California employs innovative, evidence-based and consistent practices across the system. For additional information, please contact Carolyn Henrich at Carolyn.Henrich@ucdc.edu or 202-974-6308.

POLICY AND REGULATORY UPDATE

Proposed Rules for Hospital Outpatient Prospective Payment System and Physician Fee Schedule for CY 2015 Released

The Centers for Medicare and Medicaid Services (CMS) released its annual Outpatient Prospective Payment System (OPPS) proposed rule for the Calendar Year (CY) 2015 on July 3. This rule proposes increasing Medicare outpatient payments to hospitals by 2.1 percent but

CMS projects the impact of the proposed rule will be an increase of 2.9 percent for Major Teaching Hospitals, including the UC Health system. A goal of the proposed rule is to move away from the more traditional fee-for-service model to an expanded bundled payment system. Comments are due to CMS by September 2.

Also on July 3, CMS released the proposed rule for the Physician Fee Schedule (PFS) for CY 2015 which updates payment policies and rates for services provided in 2015. Included in this proposed rule is the elimination of the Continuing Medical Education (CME) exclusion in the Sunshine Act, which does not require pharmaceutical and medical device companies to report payments to physician-speakers at accredited CME events, as long as the companies do not directly pay physicians or select them as speakers. The PFS proposed rule also includes changes to the Medicare Shared Savings Program including increasing the number of quality measures to 37. Comments are due to CMS by September 2. For additional information, please contact Shoshana Derrow at Shoshana.Derrow@ucdc.edu or 202-974-6309

ADVOCACY UPDATE

UC President Janet Napolitano visits DC

In June, President Napolitano traveled to Washington D.C. for meetings with Secretary of Education Arne Duncan, and Secretary of Agriculture Tom Vilsack. During her meeting with Secretary Duncan, President Napolitano discussed her proposal for an [interagency working group](#) to address the accountability of federal financial aid. Additionally, the President discussed the administration's gainful employment rule, college ratings and veteran's educational benefits and updated the Secretary on the work and commitment of the University to address sexual assault on college campuses. During President Napolitano's meeting with Secretary Vilsack, she informed the Secretary of the University's [Global Food Initiative](#) and the work and research the University is doing related to agriculture, sustainability and future partnerships between UC and the Department of Agriculture.

Also during her trip to DC, President Napolitano participated in an Education Commission of the States (ECS) forum on the future of higher education. President Napolitano was joined by Jim Geringer, former Governor of Wyoming and co-founder, Western Governors University; William Kirwan, Chancellor, University of Maryland System and ECS President Jeremy Anderson. A video of the event can be found [here](#).

Safety Net Hospitals for Pharmaceutical Access Advocacy Day

On July 16 and 17, UC FGR participated in the Safety Net Hospitals for Pharmaceutical Access (SNHPA) advocacy day in support of the 340B drug discount program. This program allows the hospitals of the UC Health system to obtain costly pharmaceuticals at a reduced price from drug manufacturers so that they can continue to provide access to vital health care services throughout the state. Delegates from UC met with several House and Senate offices to convey the importance of this program to UC Health and the patients it serves. Delegates also requested support from House and Senate members via a sign-on letter to the committees of jurisdiction expressing support for the program. For additional information, please contact Shoshana Derrow at Shoshana.Derrow@ucdc.edu or 202-974-6309.

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