



The Board of Governors *of* The University of North Carolina

The following statement shall accompany the 113th Congress Federal Policy Agenda and the Appropriations Guide as guidance for the President and his staff and for communication with the North Carolina Congressional Delegation:

The Board of Governors of the University of North Carolina (“The Board”) believes that federal investments in student financial aid and research programs and infrastructure are fundamental to our national security, economic recovery and prosperity.

Further, the Board urges Congress to avoid sequestration and enact responsible fiscal policy that achieves budget savings in entitlement and discretionary spending and through tax reform to ensure the long-term viability of federal programs that invest in America’s future.

In general, The Board believes:

- The University is a producer and not a consumer. The University produces students, medical treatments and cures, ideas, technologies, and leaders for government, industry, education, and more.
- The University is a partner with the federal government in promoting and enhancing American competitiveness and capturing and accelerating innovation.
- The Federal government must continue to make strategic investments for future economic growth even as it seeks to control spending.
- The University supports accountability for performance in exchange for public funding.
- Academic autonomy and the freedom to pursue ideas free from political or government influence are core University principles.
- Federal rules and regulations should be reasonable and necessary. Increased federal reporting and other requirements should not impose disproportionate financial hardship and compliance for the University.
- The University is an “employer” and should be proactive in influencing public policy that impacts employers and employees.

Specifically, the Board's highest federal priorities (in priority order) are:

1. a. Enact legislation to make financial aid for students reliable, fair and sustainable.

and

- b. Preserve current funding levels for National Institutes of Health (NIH), National Science Foundation (NSF), Department of Defense (DOD), Department of Agriculture (AG), Department of Education (ED), and Department of Energy (DOE) research grants and contracts with Universities.
2. Preserve Title III and set-aside funding for Historically Black Colleges and Universities (HBCUs).
3. Relief from Federal rules and regulations whose benefits do not justify imposed costs, with particular emphasis on Federal requirements of the University as an employer.
4. Provide a favorable tax environment for students and families that do not qualify for need-based financial aid.
5. Enforce existing Facilities and Administrative (F&A) cost-reimbursement rules for federally funded grant awards and ensure consistent application by all federal agencies across all universities.
6. Support equitable benefits for veterans using the Post 9/11 GI Bill, regardless of residency status for tuition purposes.
7. Fair and adequate Medicare/Medicaid payments to physicians and increased funding for teaching hospitals and medical resident physicians.
8. Immigration reform that enables expedient, cost-effective recruitment of international faculty, international graduate students in STEM fields, and international students in health professions.
9. Monitor implementation of Public Law 111-148, the Patient Protection and Affordable Care Act (ACA) and pursue corrective action as necessary to reduce unnecessary administrative burdens, penalties, taxes and fees required of the University.
10. Work with Congress and the Administration to minimize the impact of the ACA on student health insurance plans and ensure that Universities can offer cost-effective health insurance options for students.



The University of North Carolina

113th Congress: Federal Policy Agenda

Draft for Review by the Chancellors

This policy agenda reflects the University's federal policy priorities. Funding priorities are in a separate document.

Education Attainment and Academic Quality

Higher Education Act Reauthorization and Reconciliation Legislation: Work with Congress to promote the following principles and priorities:

- Provide financial assistance to students who demonstrate financial need and are academically prepared to succeed in programs authorized by the Department of Education
- Increase access to higher education, including pre-college awareness and outreach
- Encourage simplicity and predictability in student financial aid systems
- Encourage persistence & completion for all students
- Support college savings and financial education and-Minimize student indebtedness and emphasizing grant and work aid
- Support the primacy of need-based aid
- Reduce administrative requirements and support accountability;
- Empower student financial aid professionals and their schools with the flexibility to respond to the specific needs of their students;
- Recommend policies that accommodate the diversity of academic delivery models;
- Encourage the use of technology wherever possible;
- Eliminate statutory requirements that use financial aid to enforce unrelated social policies; and
- Validate proposed recommendations with research and data analysis wherever possible.

Tax Incentives for Students, Families and Employees:

- Enhance current student-centered tax benefits, including the qualified tuition expenses deduction and the Hope and Lifetime Learning tax credits.
- Preserve Section 117(d) qualified tuition reductions.
- Extend Section 127 employer – provided education assistance benefits.
- Restore Section 117(c) exclusion for qualified higher education expenses.
- Extend the student loan interest deduction.

Veteran's Education Benefits

- Support legislative changes to Public Law 111-377, *The Post-9/11 Veterans Educational Assistance Improvements Act of 2010* (“Post 9/11 GI Bill”) to grant equal educational benefits to Veterans who attend a public or private institution.
- Work with federal agencies, specifically the Departments of Education (ED), Defense (DOD), and Veterans Affairs (VA), and the Consumer Financial Protection Bureau (CFPB) to implement the President’s Executive Order #13607, “Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other Family Members” and monitor agency action that requires compliance with such principles.
- Work to make Fry Scholarship recipients eligible for VA Yellow Ribbon Program benefits.
- Include VA education benefits and Federal Employee Tuition Assistance in Department of Education 90-10 rule calculations for institutions of higher education.

Immigration Reform:

- Create a new visa category for graduate students pursuing academic disciplines related to science, technology, engineering, and mathematics (STEM) and who choose to stay in the United States to work in a related field.
- Preserve the dual intent provision for H-1B visa applicants.
- Preserve access to the H-1B program for foreign medical residents and fellows.
- Ensure that negative, unintended consequences are avoided in any changes to the green card system.
- Permit H-1B dependent employer provisions to apply to all employers.
- Streamline the Department of Labor process to enable greater information sharing regarding the status of PERM applications and to enable online employment posting to satisfy mandatory posting requirements.

Lumbee Recognition Act: Support legislative efforts for full federal recognition of the Lumbee Tribe of North Carolina (LTNC). Among other benefits, such recognition will give Tribal members access to additional federal educational funds, only available to members of federally-recognized tribal populations, which may be used at any of the UNC Constituent Institutions.

Research and Innovation

Facilities and Administrative (F&A) expenditures for university-based research: Oppose efforts to arbitrarily cap cost reimbursement associated with federally-funded university-based research.

Cost Sharing: Work to minimize the number of federal research grants at NSF and other agencies that require cost-sharing. Cost sharing requirements in research grant solicitations disadvantage universities and faculty members with small endowments or other research resources and discourage the best research proposals from being funded.

Open Access to Research: Support legislation or regulatory action to mandate public access to taxpayer-funded research at the NIH and other federal agencies without diminishing copyright protection currently accorded scholarly work.

DOD & DHS Research Contracts: Support efforts to reinforce DOD & DHS policy that basic research, unless classified, should not be burdened by clauses that restrict the dissemination and sharing of scientific information.

Comprehensive Energy Policy: Support legislation that authorizes energy research opportunities.

Export Controls Reform: Support efforts to revise and simplify the federal government ITAR and Export Controls rules to update and limit the technologies that are subject to ITAR restrictions and clearly protect technologies that are a threat to our national security.

Reform and Improve Grants.gov: Urge federal agencies and Congress to improve the grant and contract submission process known as "Grants.gov" to facilitate the grants and contracts process with the federal government.

Extend the Research and Development (R&D) Tax Credit: Permanently extend the R&D credit to encourage commercial R&D investment that enables American companies to bring new and improved products and services to the market.

Patent Legislation: Monitor the implementation of Public Law 112-29, the *Leahy-Smith America Invents Act of 2011* as it applies to University patents and technology transfer.

Bayh-Dole Refinements: Support the role of universities in the innovation process and continuation of Bayh-Dole provisions that allow universities to own and license the results of federal research.

Efficiency

Federal Reporting Requirements for Universities: Eliminate burdensome, duplicative, and costly rules, regulations, and reporting requirements, with particular emphasis on federal requirements of the University as an employer.

Ensure an Accessible and Financially Stable University

Tax Consequences for The University

- Affirm current tax treatment of universities.
- Prevent inappropriate intrusions into university governance and finance.
- Preserve current treatment of university endowments.
- Monitor, preserve, and/or improve current treatment of tax-exempt bonds.
- Ensure balance between appropriate transparency and tax compliance burden.
- Monitor Unrelated Business Income Tax (UBIT) proposals that may affect universities.

Tax Incentives for Charitable Individuals

- Extend and expand the IRA charitable rollover.
- Monitor charitable giving proposals, including deductibility, gifting rules and valuation of gifts.

Health Care

Patient Protection and Affordable Care Act (ACA): Public Law 111-148 (ACA) imposes significant new requirements on group health plans and employers. Monitor implementation of the ACA and pursue corrective action as necessary to reduce unnecessary administrative burdens, penalties, taxes and fees required of the University.

Student Health Insurance: Work with Congress and the Administration to minimize the impact of the ACA on student health insurance plans and ensure that Universities can offer cost-effective health insurance options for students.

Global Public Health Workforce: Support legislation to establish a U.S. Global Health Service to coordinate and centralize U.S. efforts to assist in international areas of need, and provide fellowships and loan repayment in return for service overseas.

Health Professional Shortage Areas: Support legislation to help address workforce shortages in key health professionals including pharmacists, nurses, primary care physicians, dentists, and public health workers and allied health professionals, such as speech-language pathologists, audiologists, clinical laboratory scientists, medical imaging professionals, physical and occupational therapists, physician assistants, social workers, and related professionals (e.g., enhanced loan repayment and scholarship programs).

Tax-Exempt Status for Hospitals: Work with Congress and the hospital community to determine common definitions and reforms in such areas as community benefit, charitable care, charges to the uninsured and debt collection.

Telehealth: Support legislation that requires the Secretary of Health and Human Services to encourage and facilitate the adoption of state reciprocity agreements for practitioner licensure. Such action should be in coordination with physicians, health care practitioners and patient advocates.

Veterinary/Public Health: Support legislation to fund expansion of veterinarians with public health training to increase the veterinary public health faculty.

Medicare and Medicaid Reform

Physician Payments: Support fair and adequate payment rates for physicians, and support efforts to tie reimbursement rates to reasonable measures of quality over the entire health care sector.

Increase GME/IME Caps for Residents: Increase federal funding and raise the statutory cap to enable training of additional resident physicians.

Recovery Audit Contractors ("RACs"): Support legislative efforts to reform the RAC program by expediting the appeal process, allowing providers to present underpayments, and by not requiring repayment until all appeals have been finalized.

Federal Medical Assistance Percentage ("FMAP"): Support an increase in FMAP to help offset dramatic cuts states may implement due to the weakened economy.

Preserve the Medicare Bad Debt Moratorium and Maintain the Current Funding Level for Bad Debts.

Diagnosis Related Groups (DRG) Refinements: Work to ensure that the severity case mix reimbursement is adequate for teaching hospitals.

Medicaid Disproportionate Share Hospital (DSH) Payments: Monitor prospective allocation changes.

Improving Public Education

No Child Left Behind Act (2002 authorization): Support provisions that enable regional, university-based professional development for teachers particularly those in high need, highly specialized content areas, enable innovative teacher recruitment strategies particularly for math, science and special education teachers, enable distance education using technology, and improve student outcomes while retaining state and local autonomy.

Education Sciences Reform Act Reauthorization (2004 authorization): Support provisions that encourage federal research on how learning and teaching can be improved; evaluating the effectiveness of educational approaches that incorporate research findings; providing statistical benchmarks for progress in education; and encouraging education decisions and policies that are based upon evidence.

Individuals with Disabilities Education Act Reauthorization (2004 authorization): Support provisions that enable improved training for special education teachers and other personnel and improved communication among all stakeholders, including representatives from higher education.