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CONTACT - FEDERAL RELATIONS TEAM

<table>
<thead>
<tr>
<th>CONTACT</th>
<th>EMAIL</th>
<th>PHONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Weinberger, Director of Federal Relations</td>
<td><a href="mailto:paulw3@uillinois.edu">paulw3@uillinois.edu</a></td>
<td>(217) 300-4739</td>
</tr>
<tr>
<td>Melissa Haas, Associate Director of Federal Relations</td>
<td><a href="mailto:mshaas@uillinois.edu">mshaas@uillinois.edu</a></td>
<td>(217) 244-4815</td>
</tr>
<tr>
<td>Grace Hart, Federal Relations Specialist</td>
<td><a href="mailto:gkhart2@uillinois.edu">gkhart2@uillinois.edu</a></td>
<td>(309) 798-9222</td>
</tr>
</tbody>
</table>
I. PROVIDING PANDEMIC RELIEF

From taking part in vaccine clinical trials to developing a cutting-edge COVID-19 saliva test, the University of Illinois System is proud to be playing a central role in efforts to combat the pandemic. At the same time, COVID-19 has taken a tremendous and growing toll on our students, universities and employees. Through November 2020, the total economic impact of COVID-19 on the U of I System stands at over $500 million, not including the costs to our hospital in Chicago. This figure includes housing refunds as well as costs associated with extra support for students, new hardware and software for online classes, and cleaning and medical supplies. It also includes the costs associated with standing up the SHIELD COVID-19 mitigation ecosystem based in Urbana-Champaign that integrates innovative epidemiological modeling and saliva-based testing with an app-based notification system and digital contact tracing.

We are grateful for the funding Congress provided in the CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act, enacted in March and December 2020, respectively. This funding has helped us to provide essential support for students. Additional pandemic relief is urgently needed, however.

Specifically, we ask Congress to provide:
• Additional support for universities and students. We support the higher ed associations’ request for $120 billion.
• $26 billion in additional funding for research agencies, along with regulatory relief, to address disruptions to research grants. We supported bipartisan legislation in the 116th Congress (the Research Investment to Spark the Economy or RISE Act, H.R. 7308) that would have authorized this funding.
• Additional funds for hospitals, especially those caring for underserved populations such as our University of Illinois Hospital and Health Sciences System (UI Health).
• Temporary and limited liability protections to help ensure that universities acting in good faith and following applicable public health standards do not face expensive and time-consuming litigation, as detailed in this letter from higher education associations.
• Support for state and local governments.
• Tax relief for nonprofits and public institutions, as discussed on page 13.
• Relief for student loan borrowers.
II. ENHANCING HIGHER EDUCATION AFFORDABILITY, ACCESS AND STUDENT SUCCESS

Given the economic impact of the pandemic, it's more important than ever for Congress and the Administration to help make higher education more affordable for Americans. The U of I System is committed to doing its part by providing Illinois students a world-class education at a reasonable cost. We have increased institutional financial aid from about $107 million to more than $240 million over the last decade, a 123% increase. From 2014-2019, the U of I System froze in-state undergraduate tuition, and in April 2020 we announced that we would cover tuition increases for in-state undergraduate students for 2020-21 due to financial hardships stemming from the pandemic. Twenty-two percent of our undergraduates are the first in their family to attend college, and four out of five undergrads across the system are Illinois residents. We hope that Congress will prioritize reauthorizing the Higher Education Act (HEA) for the first time since 2008. Our HEA reauthorization priorities include:

Affordability and Access

- **Pell Grants:** Pell Grants are the cornerstone of student financial aid packages at the U of I System. In 2018-2019, more than 20,000 students across the system received $96.3 million in Pell Grants. We urge Congress to:
  - Double the maximum Pell Grant award to $12,690.
  - Prioritize extension of Pell mandatory inflation adjustments, which expired at the end of 2017.
  - Extend the Pell Grant eligibility period by two semesters and extend eligibility to graduate education and DACA participants.
  - Make Pell Grant funding fully mandatory.

- **Campus-Based Aid Programs:** We encourage Congress to expand support for federal campus-based aid programs, including:
  - **Supplemental Educational Opportunity Grants (SEOG),** which supported over 5,700 students across the U of I System with $2.3 million in total funding in 2018-19.
  - **Federal Work-Study:** In 2018-19, over 3,000 U of I System students participated in the Federal Work-Study program.
  - **Direct Loans:** Direct Loan disbursements for U of I System undergraduate, graduate and professional students totaled more than $472.6 million in 2018-19. We support simplification of loan repayment options and elimination of origination fees on federal student loans to lower the cost of borrowing.
  - **Graduate Education:** With over 32,000 graduate and professional students, the U of I System is providing the human capital and highly skilled workforce that our state needs, while advancing scientific discoveries. Federal support for graduate students is key to those efforts. We encourage Congress to maintain graduate student loan options, strong repayment terms, and loan forgiveness benefits that put graduate and professional studies within reach of all interested students. We also urge Congress to support Graduate Assistance in Areas of National Need (GAANN), which helps ensure a pipeline of talented experts to meet the need for a 21st century workforce.

- **Open Educational Resources:** Studies suggest that the high cost of textbooks affects learning outcomes and student success. Making electronic open educational resource (OER) materials readily available at no cost can help mitigate these problems. Our universities have programs to encourage faculty to use OER materials as alternatives to traditional textbooks. The U of I System leads the Consortium of Academic and Research Libraries in Illinois (CARLI), and through a state-wide collaborative enterprise is trying to develop, improve, and expand OER across the state. We encourage Congress to support these efforts through continued funding for the Department of Education’s (ED) open textbooks pilot program.
Degree Completion and Student Success

• **TRIO**: The U of I System proudly educates many low-income, first-generation students and fully supports the federally funded TRIO programs, which motivate and support students from disadvantaged backgrounds in their pursuit of a college degree. The system has six **TRIO-funded programs** that serve approximately 1,169 students. We ask that Congress protect funding for TRIO programs.

• **Minority-Serving Institutions**: Since 2010, the University of Illinois at Chicago (UIC) has been federally designated as a **Minority-Serving Institution (MSI)**. That same year, UIC was designated an Asian American and Native American Pacific Islander-Serving Institution (AANAPISI) and it has received three grants totaling $5.4 million in support of its AANAPISI Initiative. In 2016, a five-year, $5.3 million grant from ED affirmed UIC’s designation as a Hispanic-Serving Institution (HSI). The grant supports UIC’s efforts to increase the number of Latinx and low-income students obtaining degrees in STEM fields. The designations allow UIC to apply for any new grant opportunities set aside for federal MSI, AANAPISI and HSI institutions under Titles III and V of the Higher Education Act of 1965, as amended by the Higher Education Opportunity Act of 2008. We encourage Congress to provide significant increases to Title III and V programs authorized through the HEA.

Teacher Preparation

• **Title II**: With colleges of education at the University of Illinois Urbana-Champaign (UIUC) and UIC, the U of I System is committed to preparing the next generation of educators, educational leaders and educational researchers. We urge Congress to:
  - Support and improve administration of TEACH grants by sustaining and expanding TEACH grant funding.
  - Support the Teacher Quality Partnership (TQP) grant program to enhance the training of teachers.

  - Increase grant funding for ED’s Office of Special Education Programs (OSEP) to address current shortages of special education teachers. There also exists a significant shortage of faculty who train special education teachers. OSEP should provide more funding opportunities to support doctoral students in special education.

  - Increase federal support for a critical and growing need: educating and certifying high school teachers to teach computer science, and IT/digital skills more broadly.

Campus Safety and Sexual Assault

• **Title IX regulations**: The U of I System opposes the Title IX regulations that went into effect in August 2020. The regulations provide an overly narrow definition of sexual harassment, require a single grievance procedure for both students and employees, and introduce hearing processes that require participants to be subject to cross examination. We urge Congress and the new Administration to repeal the regulations.
III. PROMOTING INNOVATION AND ECONOMIC GROWTH

U.S. national and economic security depends upon our country’s continued leadership in science and technology. To maintain that security, and to foster the groundbreaking innovation that will move America forward, it is essential that Congress increase funding for research. Unfortunately, in recent years funding for many key agencies and accounts has remained flat. We were pleased to see several proposals in the 116th Congress that would expand support for research, such as:

- The Endless Frontier Act (S. 3832/H.R. 6978).
- The Innovation Centers Acceleration Act (S. 4624/H.R. 8745).

We urge Congress to take up these or similar proposals.

Thanks in part to federally funded R&D, the U of I System is an engine for statewide and regional economic development, contributing $17.5 billion annually to the state’s economy, and supporting more than 171,000 jobs, or one out of every 46 jobs in Illinois. Our faculty receive over $592 million annually in federal research funding from the National Institutes of Health (NIH), the National Science Foundation (NSF), the Department of Energy (DOE), the Department of Defense (DOD), the National Endowment for the Humanities (NEH) and other federal agencies. Urbana-Champaign routinely leads the nation in NSF grant awards, and UIC is a top recipient of NIH funding.

The U of I System has launched two related initiatives to promote innovation and economic growth, and help train the workforce of the 21st century. The Discovery Partners Institute (DPI), based in Chicago, is focused on developing tech talent for high-demand jobs, and on applied R&D. DPI will anchor a statewide network of economic development hubs based at public universities, known as the Illinois Innovation Network (IIN). Over ten years, DPI and IIN are projected to create or fill 49,000 new economy jobs and generate $19 billion in economic activity.

- Two out of seven new federal research institutes in artificial intelligence will be centered at Urbana-Champaign.
- The Grainger College of Engineering was named a leading partner in two of the five Department of Energy Quantum Information Science Research Centers established in 2020.
- The Center for Clinical and Translational Science at UIC will be receiving $22 million in new funding from NIH to continue its work supporting critical clinical and translational health research programs.
- DOE’s National Nuclear Security Administration has awarded $8 million over four years to UIC to lead a multisite, interdisciplinary center focused on research, training and technique development in the study of materials in extreme conditions.
- The U of I System’s Discovery Partners Institute is using a $10 million donation to support and develop promising and diverse tech talent in Illinois.
IV. ENHANCING CLIMATE RESILIENCY AND ADAPTATION

As a member of the International Universities Climate Alliance, the U of I System is committed to advancing climate science and to helping ensure that countries meet the goals laid out in the Paris Agreements. Our researchers and scientists stand ready to assist in these efforts at the federal level by providing expertise and policy proposals to mitigate, adapt and build resiliency to increasingly severe, human-induced climate change. Across the system, our faculty are teaching about and conducting research into a range of issues, from vulnerability, adaptation and mitigation strategies, to growing food more efficiently for large populations, to protecting the most vulnerable by ensuring that decisions on climate policy are participatory and equitable. Congress can in turn support their work by increasing funding for a broad range of climate research.

The U of I System is also committed to serving as a model for environmental sustainability, based on sound science and technology, and on excellence in teaching and knowledge dissemination. This commitment is captured in our Strategic Framework, which targets carbon neutrality within the next four decades, and in the efforts underway at our universities in Urbana-Champaign, Chicago and Springfield.

• UIUC has set a goal of carbon neutrality by 2050 in its Illinois Climate Action Plan.
• UIC’s Climate Commitments include goals to achieve carbon neutrality by 2050, become a zero waste and net zero water campus, and protect biodiversity on campus.
• UIS sustainability efforts pledge to make UIS a role model for environmental sustainability through initiatives such as education and recycling programs, and a commitment to LEED construction standards.
Diversity, equity and inclusion are bedrock principles of the U of I System, and are central to our mission of educating deserving students from all backgrounds. Over recent months, Americans across the country have reaffirmed those same principles and called for strong action to end racism and discrimination. We hope that the 117th Congress will undertake the hard work that is needed to heal our country’s wounds and to finally achieve the true equality and justice that have eluded us for far too long.

One step that the Administration can take to support those efforts is to withdraw Executive Order 1350, which had the unfortunate effect of casting doubt on legitimate efforts to promote diversity and inclusion in the workplace. In addition, as discussed above, congressional support for programs such as TRIO can help ensure that students from disadvantaged backgrounds are able to obtain a college education. Similarly, Congress should provide strong support for Minority-Serving Institutions such as UIC that serve a disproportionate number of students of color, low-income students, and first-generation college students.

There are a number of recent and ongoing initiatives across the U of I System to combat racism and reduce violence. Examples include:

- UIUC established a steering committee and four working groups to address racism and social injustice on campus, and committed $2 million annually for grants to support research addressing racism and social injustice.
- UIC is working to build more strategic relationships with K-12 schools in the South and West sides of Chicago, and to increase academic support and professional development services for Black students on campus.
- University of Illinois Springfield (UIS) launched a series of virtual listening sessions to discuss responses to the killing of George Floyd.
- The system brought the chiefs of police from all three universities together to:
  - commit to the NAACP’s ten principles on fostering trust between law enforcement and communities of color;
  - work with UIUC’s Police Training Institute on de-escalation training for campus police; and
  - establish university police liaison boards to get input from students, employees and community members on policing issues.
VI. PROTECTING DREAMERS, MAINTAINING PATHWAYS FOR INTERNATIONAL STUDENTS AND WORKERS

The U of I System is committed to providing educational opportunities for qualified and deserving students, and we strongly support the Deferred Action for Childhood Arrivals (DACA) program. The decision to end DACA in 2017, and subsequent legal challenges, created tremendous anxiety and uncertainty for current and prospective students. We look forward to the restoration of DACA, and urge Congress to pass comprehensive immigration reform that includes the DREAM Act.

Congress and the Administration should also work on a bipartisan basis to ensure that the United States continues to be a welcoming and sought-after destination for international students, scholars and workers. International students enrolled in universities across Illinois contributed more than $1.7 billion to the state’s economy in 2019-20 and supported over 21,000 jobs. Their presence adds to the diversity of backgrounds and perspectives in our student body, provides a richer cultural and academic experience for all, and supports pioneering research.

We urge Congress and/or the Administration to:
• Extend the concept of “dual intent” to F-1 and J-1 visas so that international students and exchange visitors can no longer be denied visas because they failed to adequately demonstrate an intent to return to their home country.
• Expand visa and citizenship opportunities for STEM graduates.
• Repeal or withdraw executive actions taken in recent years that unduly limit the ability of universities to continue attracting the best and brightest from around the world. These include the so-called travel ban executive orders issued in 2017 and 2020; the 2019 DHS regulation on public charge inadmissibility; the rule proposed by DHS in 2020 establishing a fixed time period of admission for student (F-1) visas; and the May 2020 proclamation suspending entry of certain students and researchers from China. The system also strongly opposes the regulations put forward by DHS and DOL in 2020 that would undermine our ability to continue hiring high-skilled foreign workers through the H-1B program.
• Address the long-term physician shortage in the U.S. by passing legislation such as the Conrad State 30 and Physician Access Reauthorization Act, which Rep. Brad Schneider introduced in the 116th Congress as H.R. 2895 (S. 948 in the Senate). For years, rural areas in Illinois and across the country have benefited from the J-1 waiver program for international physicians who have been trained in the U.S. Legislation is needed to extend the program and to increase the number of slots available to at least thirty-five.
VII. COMBATTING FOREIGN INFLUENCE WHILE PRESERVING INTERNATIONAL COLLABORATION

In recent years, Congress and federal agencies have focused increased attention on efforts by foreign countries to obtain illicit influence over, or access to, U.S. universities and researchers.

The U of I System is committed to protecting our universities, faculty and students from efforts by foreign actors to compromise or unfairly exploit research. As part of that commitment, we educate our faculty about risks, and about the importance of complying with federal laws, regulations and policies that are designed to prevent misuse of research. These protections include the classification system for national security information, as well as federal policies on Controlled Unclassified Information and on Dual Use Research of Concern in the life sciences. They also include export controls which govern certain research with foreign persons or entities; sharing of certain technologies and information overseas; and foreign travel. The system also has internal controls in place to secure and manage access to research on sensitive topics, such as technology control plans.

At the same time, the U of I System is committed to advancing knowledge through open research and international collaboration in which methodologies, data and research results are shared freely with the public. That commitment is essential to ensure scientific progress as well as national and economic security, which is why it has been the policy of the federal government for decades that basic and applied research should “to the maximum extent possible...remain unrestricted” and that “where the national security requires control, the mechanism...is classification.”

The U of I System is open to proposals to enhance research protections that are consistent with the longstanding principles outlined above:

- We have supported legislation to ensure that federal efforts to protect research from foreign exploitation are coordinated and effective, such as the bipartisan Securing American Science and Technology Act of 2019, introduced in the 116th Congress as H.R. 3038.
- We support efforts to increase collaboration between universities and federal agencies, such as legislation introduced by Rep. Raja Krishnamoorthi and Sen. Dick Durbin to re-establish a higher education advisory council at the Department of Homeland Security (H.R. 6588 and S. 4205 in the 116th Congress).
- We urge Congress to ensure that federal controls on the distribution and accessibility of research information are narrowly defined and focused on specific technologies that are essential to national security, and do not unduly restrict international collaboration.
VIII. MAINTAINING ILLINOISANS’ ACCESS TO HEALTHCARE COVERAGE AND TRAINING

UI Health provides comprehensive care, education, and research to the people of Illinois and beyond. Part of UIC, UI Health includes a 462-bed hospital, 21 outpatient clinics, and multiple Mile Square Health Center facilities, as well as seven UIC health science colleges.

As the only state-owned, public hospital in Illinois, UI Health depends on federal support. We urge Congress to avoid policy changes that could reduce federal funding to states or access for Medicaid patients, which could jeopardize care for populations most in need. We also urge continued support for the 340B prescription drug program. This program allows UI Health to leverage drug discounts from pharmaceutical companies to ensure patients can access care they otherwise would not receive, all at no cost to taxpayers. Potential changes to the 340B program could make it difficult for UI Health to provide access to drugs for patients, including those with complex and chronic diseases.

In addition, Graduate Medical Education (GME) funding is vital to our efforts to train the next generation of physicians, including the 1,169 residents sponsored by the UIC College of Medicine each year. Accordingly, we support continued federal funding for GME and indirect medical education to ensure access to care for future generations.

COVID-19-related cancellations and delays of services have put a significant financial strain on hospitals, in addition to the added costs associated with acquiring needed supplies and equipment, protecting and maintaining a healthy workforce, and preparing for surge capacity. As hospitals contend with not only a public health crisis but also a financial crisis, we urge Congress to provide additional funds to hospitals, especially those such as UI Health that care for underserved populations.
IX. REBUILDING AND REVITALIZING INFRASTRUCTURE

As Congress considers proposals to invest in infrastructure, we hope that any legislation will recognize the critical role that universities can play.

Specifically, we encourage Congress to:

• Strengthen core infrastructure research programs by funding extramural research programs across the U.S. Department of Transportation’s (DOT) modal administrations and at NSF.
• Advance next generation infrastructure research and technology by supporting targeted programs at NSF, DOE, and the Department of Health and Human Services (HHS) to develop, demonstrate and integrate new technologies.
• Improve infrastructure resilience by funding programs at DOE, NASA, the National Oceanic and Atmospheric Administration, the United States Geological Survey, and NSF that enhance or incorporate resilience.
• Ensure a 21st century infrastructure workforce by supporting training and education programs through increased funding and new authorities at NSF, HHS, DOT and the Department of Labor.
• Expand research infrastructure by supporting new and upgraded domestic research infrastructure, including agricultural research infrastructure. According to the Association of Public and Land-grant Universities, more than 50 percent of the research and education facilities at land-grant university colleges of agriculture are approaching the end of their life cycle. At UIUC, there is over $287 million in estimated deferred building maintenance for College of Agricultural, Consumer and Environmental Sciences buildings, which support innovation and discovery.
X. ENSURING THE TAX CODE PROTECTS STUDENTS AND NONPROFITS

The Tax Cuts and Jobs Act of 2017 (TCJA) included several provisions that are detrimental to our students, employees and nonprofit mission.

We urge Congress to:
• Repeal the excess executive compensation excise tax, which we estimate will cost the U of I System $1,274,070 in fiscal year 2020.
• Repeal the TCJA’s new rules for unrelated business income (UBI) for nonprofits. In FY2019, the U of I System reported $685,583 in taxable UBI due to the TCJA’s basketing rules changes; if not for the TCJA, this figure would have been $45,312. In addition, the TCJA reduced the system’s net operating loss (NOL) for UBI by $617,023, potentially increasing our tax liability in future years.
• Repeal the gross income exclusion for interest on advance refunding bonds. Since 2004, the U of I System has advance refunded approximately $921 million of tax-exempt debt, saving approximately $64 million. The ability to advance refund and restructure outstanding debt is critical for many institutions’ operations and viability, particularly given current financial uncertainty.
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• Repeal the rule that allowed taxpayers to deduct 80 percent of a contribution made for the right to purchase tickets for college and university athletic events (often referred to as the “80/20 rule”).
• Reduce the disincentives for charitable giving created by the TCJA by extending the charitable deduction to all taxpayers regardless of whether they itemize deductions. Legislation introduced by Rep. Danny Davis in the 116th Congress (H.R. 1260) would accomplish this goal.
• Increase the annual limit on the aggregate amount of distributions from IRAs for charitable purposes that may be excluded from the gross income of a taxpayer, and permit tax-free distributions from IRAs to a split-interest entity. Legislation such as the Legacy IRA Act (H.R. 3832 and S.1257 in the 116th Congress) and the Secure Act 2.0 (H.R. 8696 in the 116th Congress) would achieve these objectives.
• Ensure that future pandemic relief legislation includes equal tax treatment of nonprofits and public institutions. We were disappointed that the Families First Coronavirus Response Act (FFCRA) enacted in March 2020 only provided refundable tax credits to private employers to pay for expanded employee paid sick leave and Family and Medical Leave Act (FMLA) benefits.
XI. PROTECTING STUDENT ATHLETES

The U of I System is committed to safeguarding the integrity of college athletics and ensuring that student-athletes have the resources they need to succeed in their sport, in the classroom and in their respective lives. We support allowing student-athletes to profit from commercial use of their own name, image and likeness (NIL) and are encouraged by the NCAA’s recent efforts to move toward that goal.

Even if the NCAA’s plans are successful, however, federal involvement remains critical to developing a successful NIL paradigm in college athletics. Several states have approved NIL legislation, which creates the likelihood of patchwork NIL policies.

The U of I System endorses the following priorities with regard to federal legislation:

• Preempting state NIL laws to provide a consistent national framework and an even playing field for universities and student-athletes in all states.
• Adopting a narrowly tailored antitrust exemption that would allow universities to maintain the distinction between NIL and pay-for-play, thus preserving the amateur status of college student-athletes.
• Protecting against abuses by schools and their boosters, particularly in the recruiting process.
• Addressing the role of universities in student-athlete sponsorship arrangements, including the use of university intellectual property and trademarks and conflicts with existing university agreements.
• Protecting student-athletes from abuse or manipulation by agents or other internal or external stakeholders in a new NIL environment.