

Monday, July 28, 2014

AASCU Update

 **Edlines Banner**

To: AASCU Presidents, Chancellors and Government Relations staff

From: Ed Elmendorf, Senior Vice President of Government Relations and Policy Analysis
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Re: Federal Update Appropriations, HEA Reauthorization and Other Issues

Date: July 24, 2014

Senate Appropriations

Earlier today, the Senate appropriations released the **committee report** for the FY 2015 Labor-HHS-Education bill as reported by the subcommittee. Several items in the committee report should be of interest to higher education. First, Pell Grants are exempt from across-the-board budget cuts. Second, the bill restores the Ability-To-Benefit eligibility for students enrolled in the career pathways program. Third, the bill would “consolidate Perkins Loans into the Federal Work Study program,” a fairly consequential change that we have not fully absorbed. Finally, it proposes a cap on graduate and parent loans. The cap, which would differ depending on whether it is a loan to a parent or a loan to a graduate student, could be set at a fixed dollar amount. Parent Plus loans could be capped at \$57,000 the loan limit that currently applies to independent undergraduates. The cap could also be set as a portion of a programs’ average tuition across similar institutions.

Other non-higher education provisions are the elimination of the Childcare Development Block Grant by consolidating into the Opportunity Grant Program. Head Start would be converted into a block grant to the states and Title I-A funding would be converted into a flexible block grant, on the condition that states spend the money on low-income children.

All of the above changes may not actually occur, because there is every expectation that Congress will be forced to pass another continuing resolution (CR) before the beginning of the FY15 fiscal year on October 1, 2014. A likely CR would essentially keep pushing the budget down the road leaving in place nearly all of the current spending levels.

House Bills

The House Committee on Education and the Workforce is moving with its efforts to reauthorize the Higher Education Act in a different way than its counterpart in the Senate. Unlike the Senate Health, Education, Labor, and Pensions (HELP) Committee’s unified approach to the task, the House has taken a more modular approach by offering several stand-alone bills addressing different pieces of reauthorization. The first of these, the Strengthening Transparency in Higher Education Act (**H.R. 4983**), requires the Education Department to create a “college dashboard” website with institutional information to help families decide on a college. Data on completion rates, enrollment, net price and loan debt and repayment rates would be included. A narrower bill, **H.R. 5134**, introduced by Rep. Virginia Foxx, extends by one year the terms of the National Advisory Committee on Institutional Quality and Integrity and the Advisory Committee on Student Financial Assistance. AASCU along with our association counterparts sent a letter on this bill and several other bills earlier this week. That

letter can be found [here](#). While these bills have passed the House of Representatives, we don't expect these bills or a Higher Education Act Reauthorization bill to pass the full Congress before the end of 2014.

IRA Charitable Rollover

Last week the House passed a package of tax related bills including, H.R. 4619, the Permanent IRA Charitable Contribution Act, offered by Representative Aaron Schock (R-IL). The legislation would permanently extend the IRA charitable rollover, which expired at the end of 2013. It highly unlikely that a bill will pass both the House and the Senate due to the fact that that the bill would create new spending that would add to the deficit. The IRA charitable rollover allows taxpayers older than 70 ½ to donate up to \$100,000 from IRAs to charitable organizations, including universities, without the withdrawals being considered taxable income.

Net Neutrality

Last week AASCU along with several other associations submitted comments on the FCC's proposed net neutrality rules, urging the Commission to preserve an open Internet without pay-to-play fees or "fast lanes" being contemplated under the euphemistic legal label of "paid prioritization." We would encourage you to take a look at our comments [here](#).

Contact Us

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SUMMARY

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