

# Federal Higher Education Policy: What's Next from DC? And Why Does It Matter?



**Midwestern Higher Education Compact Annual Meeting**

**November 15, 2018**

**Thomas Harnisch**

**American Association of State Colleges and Universities**

# About AASCU

- **Association of 400 public college and university presidents**
- **Represent regional public colleges and universities**
- **One of the big six higher ed associations**
- **Tracks and advocates on state and federal policy matters**
- **Interests=affordability, excellence in undergraduate education, teacher education, diversity, student success**

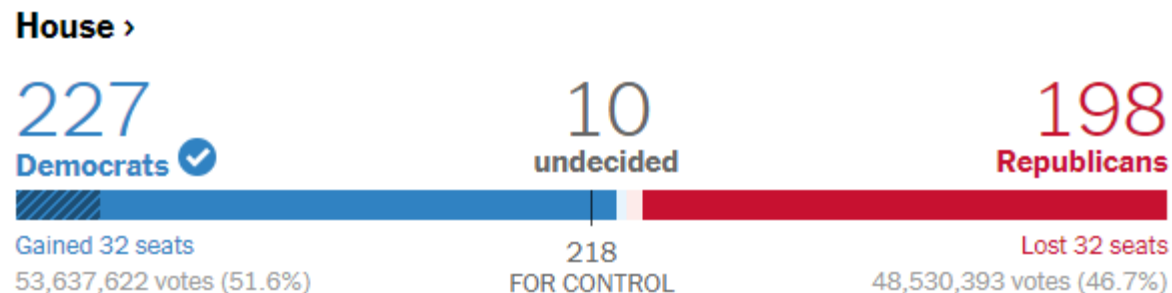
## Key Issues

- **The 2018 Midterm Election and Its Consequences**
  - **Contentious Lame Duck Session**
  - **Return of Budget Politics**
  - **Authorizing Legislation, Ideological Battles, Gridlock**
  - **Increased Oversight from House Dems**
- **Other Federal Issues**
  - **Regulatory Changes**
  - **International Students, visas, etc.**
  - **VA Benefits**

# The 2018 Midterm Elections-House

House of Representatives: 218 need for majority

- Pre-election: Democrats 193, GOP 235, 7 Vacant
- Post-election: Democrats 227, GOP 198, 10 TBD

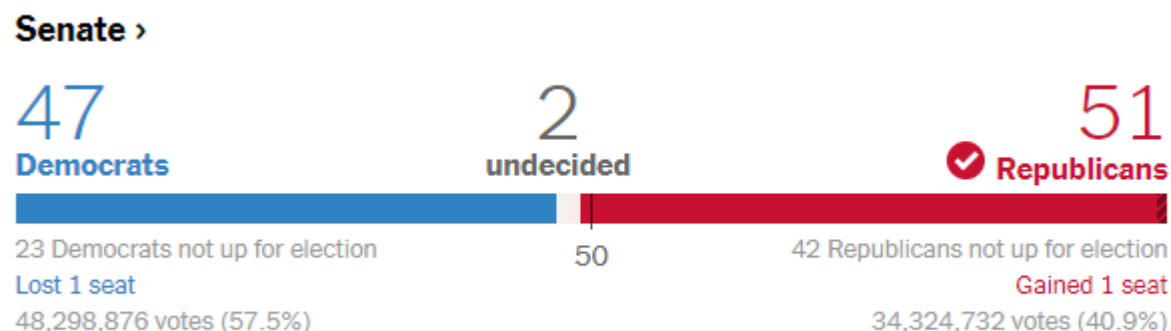


Source: *NYTimes.com*

# The 2018 Midterm Elections-Senate

## Senate: 50 needed for GOP Control

- Pre-election: Democratic Caucus 49, GOP 51
- Post-election: Democrats 47, GOP 51, 2 TBD (likely GOP)



Source: *NYTimes.com*

# 2018 Election and the Educational Divide

## Education

	Democrat	Republican	No Answer
HS or less <b>23%</b>	48%	51%	1%
Some college <b>25%</b>	52%	47%	1%
Associate's degree <b>11%</b>	47%	50%	3%
Bachelor's degree <b>24%</b>	55%	43%	2%
Advanced degree <b>17%</b>	65%	34%	1%

18778 Respondents

## Are you a college graduate?

	Democrat	Republican	No Answer
Yes <b>41%</b>	59%	39%	2%
No <b>59%</b>	49%	49%	2%

18778 Respondents

Source: CNN Exit Poll, 2018

# 2018 Election and the Educational Divide

## Education and race

	Democrat	Republican	No Answer
White college graduates <b>31%</b>	53%	45%	2%
Whites no degree <b>41%</b>	37%	61%	2%
Non-whites college grads <b>10%</b>	77%	22%	1%
Non-whites no degree <b>18%</b>	76%	22%	2%

18778 Respondents

## Whites by education and gender

	Democrat	Republican	No Answer
White college women <b>16%</b>	59%	39%	2%
White non-college women <b>21%</b>	42%	56%	2%
White college men <b>15%</b>	47%	51%	2%
White non-college men <b>20%</b>	32%	66%	2%
All non-whites <b>28%</b>	76%	22%	2%

18778 Respondents

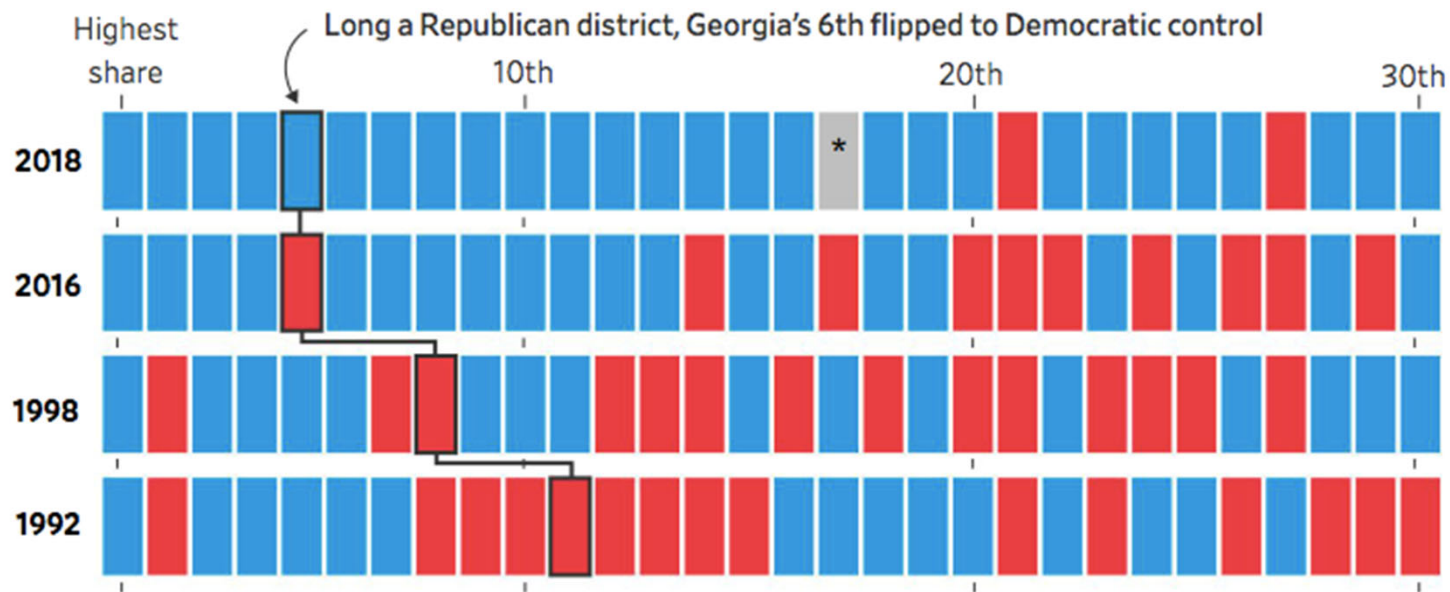
Source: CNN Exit Poll, 2018

# 2018 Election and the Educational Divide

## Blue Streak

Voters increasingly back Democrats in the 30 House districts with the highest shares of people with bachelor's and advanced degrees.

Representative: ■ Democratic ■ Republican



Note: Attainment for ages 25 or higher, \*As of Friday, Calif. 45th district has yet to be called.

Source: U.S. Census (attainment); Associated Press (2018 results); Atlas of U.S. Presidential Elections (other results)

Source: *Wall Street Journal*, 2018



## 2018 Election and the Educational Divide

- **Democrats now represents 27 of 30 House districts with the highest educational attainment**
- **Of the 34 House seats won by Democrats, 29 are in the top half of educational attainment**
- **Democrats won big in suburban House seats, Republicans won rural Senate seats**
- **Political battle lines: rural (GOP), urban (Democrats), and suburban (swing)**

Source: *Wall Street Journal*, 2018

# 115<sup>th</sup> Congress-Lame Duck Session

## **1. Difficult Lame Duck Session to Finish the 115<sup>th</sup> Congress**

- 1. "Must-pass" spending bill due December 7<sup>th</sup>. Punting until 2019 is unlikely as GOP loses control of House. Shutdown possible. 7 appropriations bills left.**
- 2. GOP wants to deliver border \$\$\$ to President Trump before ceding power. DACA discussions could re-emerge in trade with Dems. What will Dems and President Trump accept?**
- 3. Democrats: Want to protect Robert Mueller**
- 4. Higher Education: Little to no chance of approving (or even discussing) GOP Higher Education Act Reauthorization bill (PROSPER Act). The bill lacks supports. 5 years overdue now.**

# 116<sup>th</sup> Congress-Return of Budget Politics

- **Likely a return to Obama-era showdown and brinksmanship between the House, Senate and White House**
- **Increased likelihood that the national debt & deficit will be a concern, as many moderates have been removed from office**
- **Ideological differences between House Democrats and Senate Republicans, as well as the White House, and posturing for 2020 election**

# 116<sup>th</sup> Congress-Legislative Gridlock

## Ideological challenges: Progressive House vs. Conservative Senate.

1. **Difficult to approve authorizing legislation, such as a reauthorization of the Higher Education Act**
2. **Different visions of government involvement in higher education.**
  1. **Dems: Increase resources into the existing federal higher education. Strengthen consumer protections.**
  2. **GOP: pull money out of the system. More market-oriented, with fewer consumer protections. Remove regulations. Arm consumers with data and let the market decide.**

# 116<sup>th</sup> Congress-House Democrats

## 1. House Democrats: Aim Higher Act

1. State-Federal Partnership to spur states to invest more in higher education. Make public two-year college free for all students. More limited than Senate Dems proposal.
2. Boost Pell Grant funding, tie to inflation.
3. Strengthen oversight of for-profit colleges.
4. Simplify the FAFSA form.
5. Keep student loan subsidies.
6. Lifts ban on student-level data.
7. Allows states to regulate student lenders.

## Aim Higher Act

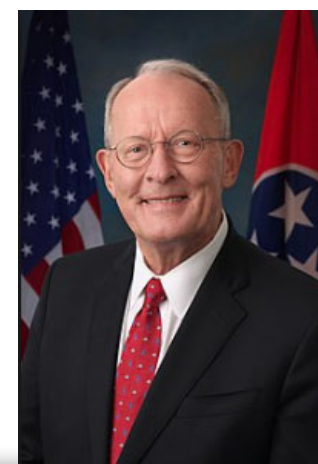
ACCESS | AFFORDABILITY | COMPLETION



# 116<sup>th</sup> Congress-Senate Republicans

## 1. Senate Republicans

1. Historically opposed to state-federal partnerships and free college proposals.
2. Weary of pumping more money into the system.
3. Ease barriers to entry for new higher education providers, remove consumer safeguards.
4. Simplify FAFSA
5. Reduce the regulatory burden.



# 116<sup>th</sup> Congress-Areas of Commonality

## Generic Consensus

1. Accreditation isn't working
2. FAFSA needs to be simplified
3. There is a need for better data for consumers to make optimal choices.
4. Risk-sharing has promise to hold institutions accountable

However, there are differences in the details how to address these problems.

# 116<sup>th</sup> Congress-Oversight

## House Democrats will investigate Trump Administration.

1. *Trump Administration deregulatory agenda (gainful employment, borrower defense) and possible coordination with for-profit college officials.*
2. *Problems in student loan servicing.*
3. *Title IX and Civil Rights.*





# Trump Administration-Regulations

## 1. Title IX

### **Betsy DeVos set to bolster rights of accused in rewrite of sexual assault rules**

- Proposed regulations from Secretary DeVos expected to be unveiled tomorrow**
- Comment period (60 days likely), government to review comments, and then published the regulations.**
- Key changes expected: Only formal complaints can be investigated, only on-campus incidents can be investigated, cross-examination allowed, allow choice in evidentiary standards**

# Trump Administration-Regulations

## 2. Distance Education

State authorization rules delayed until July 2020.

## 3. Borrower Defense to Repayment

Sec. DeVos put forth a plan to make it more difficult for students who were grossly misled into school to discharge their loans. Missed deadline, won't be able to implement changes until July 2020

## 4. Gainful Employment

Sec. DeVos has put forth draft regulations to scrap the Obama-era "Gainful Employment" rule. Replaced with expanded data from College Scorecard. No sanctions for low-performing institutions. Expected change in July 2020.

# Negotiated Rulemaking

## “Kitchen Sink” negotiated rulemaking issues include

1. How do we improve the state authorization regulations?
2. What is “regular and substantive interaction”
3. What is a “credit hour”
4. What are the roles of accreditors and institutions in the teach-out process?
5. What are the barriers to innovation and competition in institutional eligibility regulations and student assistance provisions?
6. How do we simplify and clarify the program requirements in TEACH Grants?

Subcommittees to address competency-based education and faith-based education participating in Title IV financial aid.

Goal: complete by November 2019, implement July 2020

# International Students/Travel/Visas

- **Decline in int'l enrollment of 6.6% last year, on top of 3.3 percent cut in the previous year. Losses from Saudi Arabia, Canada, Mexico.**
- **Factors: Greater competition internationally, growth in American tuition prices, scholarship cutbacks in some countries, nationalistic rhetoric, safety concerns**
- **Particularly harmful to regional public universities**

# Visa Restrictions

- **New visa restrictions for Chinese students graduate students in certain fields: aviation, robotics, and advanced manufacturing**
- **These areas have been highlighted as key to Chinese growth, part of their national strategic plan**
- **Concerns over theft of sensitive information related to national security, as well as research projects with the private sector**
- **New crackdown on students who overstay their visas/not in compliance**

## VA Benefits

**Veterans aren't getting their GI Bill payments — because VA's 50-year-old computer system broke**

***-Washington Post, November 15, 2018***

- VA benefits IT systems has been unable to appropriately process benefits under new formulas. IT platform at VA is dated.**
- House VA Committee meeting today**
- Up to 450,000 veterans have been affected, getting incomplete benefits for schools**

## Resources

- **AASCU Federal Updates**
- **AASCU EdLines (weekly state updates-opt in)**
- **AASCU Daily Headlines (daily policy updates-opt-in)**
- **Subscription link:**  
<http://www.aascu.org/policy/publications/subscriptionform/>
- **Twitter: @aascupolicy**

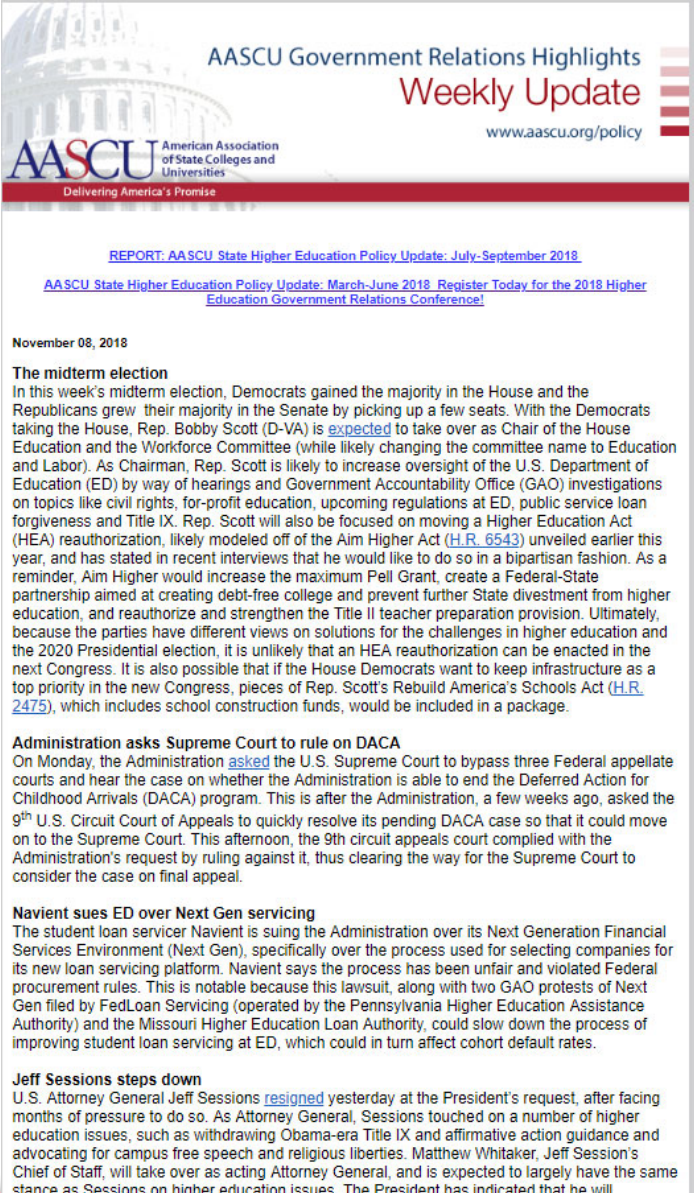


# Resources

- **AASCU Federal Updates**

## Subscription link:

<http://www.aascu.org/policy/publications/subscriptionform/>



AASCU Government Relations Highlights  
Weekly Update  
www.aascu.org/policy

**REPORT: AASCU State Higher Education Policy Update: July-September 2018**

[AASCU State Higher Education Policy Update: March-June 2018. Register Today for the 2018 Higher Education Government Relations Conference!](#)

November 08, 2018

**The midterm election**  
In this week's midterm election, Democrats gained the majority in the House and the Republicans grew their majority in the Senate by picking up a few seats. With the Democrats taking the House, Rep. Bobby Scott (D-VA) is [expected](#) to take over as Chair of the House Education and the Workforce Committee (while likely changing the committee name to Education and Labor). As Chairman, Rep. Scott is likely to increase oversight of the U.S. Department of Education (ED) by way of hearings and Government Accountability Office (GAO) investigations on topics like civil rights, for-profit education, upcoming regulations at ED, public service loan forgiveness and Title IX. Rep. Scott will also be focused on moving a Higher Education Act (HEA) reauthorization, likely modeled off of the Aim Higher Act ([H.R. 6543](#)) unveiled earlier this year, and has stated in recent interviews that he would like to do so in a bipartisan fashion. As a reminder, Aim Higher would increase the maximum Pell Grant, create a Federal-State partnership aimed at creating debt-free college and prevent further State divestment from higher education, and reauthorize and strengthen the Title II teacher preparation provision. Ultimately, because the parties have different views on solutions for the challenges in higher education and the 2020 Presidential election, it is unlikely that an HEA reauthorization can be enacted in the next Congress. It is also possible that if the House Democrats want to keep infrastructure as a top priority in the new Congress, pieces of Rep. Scott's Rebuild America's Schools Act ([H.R. 2475](#)), which includes school construction funds, would be included in a package.

**Administration asks Supreme Court to rule on DACA**  
On Monday, the Administration [asked](#) the U.S. Supreme Court to bypass three Federal appellate courts and hear the case on whether the Administration is able to end the Deferred Action for Childhood Arrivals (DACA) program. This is after the Administration, a few weeks ago, asked the 9<sup>th</sup> U.S. Circuit Court of Appeals to quickly resolve its pending DACA case so that it could move on to the Supreme Court. This afternoon, the 9th circuit appeals court complied with the Administration's request by ruling against it, thus clearing the way for the Supreme Court to consider the case on final appeal.

**Navient sues ED over Next Gen servicing**  
The student loan servicer Navient is suing the Administration over its Next Generation Financial Services Environment (Next Gen), specifically over the process used for selecting companies for its new loan servicing platform. Navient says the process has been unfair and violated Federal procurement rules. This is notable because this lawsuit, along with two GAO protests of Next Gen filed by FedLoan Servicing (operated by the Pennsylvania Higher Education Assistance Authority) and the Missouri Higher Education Loan Authority, could slow down the process of improving student loan servicing at ED, which could in turn affect cohort default rates.

**Jeff Sessions steps down**  
U.S. Attorney General Jeff Sessions [resigned](#) yesterday at the President's request, after facing months of pressure to do so. As Attorney General, Sessions touched on a number of higher education issues, such as withdrawing Obama-era Title IX and affirmative action guidance and advocating for campus free speech and religious liberties. Matthew Whitaker, Jeff Session's Chief of Staff, will take over as acting Attorney General, and is expected to largely have the same stance as Sessions on higher education issues. The President has indicated that he will



# Resources

- **AASCU EdLines**

## Subscription link:

<http://www.aascu.org/policy/publications/subscriptionform/>



[NEW: AASCU State Higher Education Policy Update: March-June 2018](#)  
[Register Today for the 2018 Higher Education Government Relations Conference!](#)

July 31, 2018

### Budget & Finance

#### [FL: State Divvies Up Performance Money For Colleges](#)

Florida's 28 state colleges will receive \$60 million in performance funding throughout this academic year. The Florida College System announced last week that \$30 million will be distributed to the 23 institutions that qualify for state performance funding based on outcomes metrics and the other \$30 million, which is considered institutional performance funding, will be distributed across all 28 institutions. Each year, the Legislature approves a set amount of state performance funding for the system and colleges match the state money with institutional funds that are part of their recurring budgets.

WUSF News (Date posted: July 24, 2018)

### Enrollment

#### [IA: All three Iowa universities expect enrollment drops this fall](#)

The Iowa Board of Regents recently released documents supporting a \$6 billion budget for 2019, which is scheduled to be approved next week, and details expected dips in fall enrollment at the state's three public universities. The budget incorporates cuts in state support along with new revenue from tuition increases: resident undergraduates will see rates jump 3.8 percent at University of Iowa and Iowa State University and 2.8 percent at University of Northern Iowa. University of Iowa and Iowa State University are both expecting revenue to increase despite decreased enrollment while University of Northern Iowa is expecting a \$1.6 million dip in tuition revenue from last year.

The Gazette (Date posted: July 24, 2018)

### Governance

#### [NJ: Potential Merger Of Two NJ Colleges Signals Growing Trend](#)

Two New Jersey community colleges are exploring a potential merger to mitigate years of declining student enrollment and increase academic opportunities for the region's residents, a trend that has been explored nationwide. One of the institution's enrollment has declined by 26 percent since fiscal year 2013-14, also causing the institution's revenue to decline. The institutions are considering how a merger could use resources more efficiently and increase the efficiency of academic programs. It is unclear what the timeline would be for the merger process, but recently merger plans in Connecticut were rejected because the timeline was too condensed.

Diverse Issues in Higher Education (Date posted: July 30, 2018)

### Tuition

#### [VT: Vermont State Colleges raise tuition nearly 3 percent](#)

The Board of Trustees for the Vermont State College system approved a nearly 3 percent tuition hike across programs at the system's four institutions. The per-credit hour price will rise by \$8 for Vermont residents attending the Community College of Vermont up to \$1,008 for an international student at Vermont Tech. During the 2016-17 academic year, the state of Vermont contributed an average of \$2,990 per student to the VSC schools, which is less than any other state in the country.

VT Digger (Date posted: July 30, 2018)

# Resources

- **AASCU Daily Headlines**

## Subscription link:

<http://www.aascu.org/policy/publications/subscriptionform>



[AASCU State Higher Education Policy Update: July-September 2018](#)

[Register Today for the 2018 Higher Education Government Relations Conference!](#)

[The 2018 Midterm Election Results & Four Key Takeaways](#)

### November 12

#### **National Headlines and Reports**

**Op-ed: Congress must end the purgatory for 'dreamers'**  
*The Washington Post* (Date posted: November 9, 2018)

**Op-ed: Equity Considerations for Policymakers & Researchers**  
*Diverse* (Date posted: November 11, 2018)

**When Scandals Hit Campus, College Boards Rarely Get Hurt**  
*The Wall Street Journal* (Date posted: November 9, 2018)

**Op-ed: How college still eludes veterans 100 years after WWI**  
*The Hechinger Report* (Date posted: November 11, 2018)

**'Unprecedented' Turnout by College Students in Midterm Elections**  
*Inside Higher Ed* (Date posted: November 9, 2018)

**Borrowers Face Hazy Path as Program to Forgive Student Loans Stalls Under Betsy DeVos**  
*The New York Times* (Date posted: November 11, 2018)

#### **State Headlines and Reports**

**AK: University of Alaska bosses ask for more money from Alaska Legislature**  
*Juneau Empire* (Date posted: November 9, 2018)

**CA: Cal State Sees Major Gains in Graduation Rates**  
*Inside Higher Ed* (Date posted: November 9, 2018)

**OK: Oklahoma higher education requests funds for faculty, financial aid**  
*NewsOK* (Date posted: November 9, 2018)

**NC: Editorial: UNC doesn't need a new president. It needs a new board.**  
*The News & Observer* (Date posted: November 12, 2018)

**NC: Editorial: Margaret Spellings' premature exit**  
*The News & Record* (Date posted: November 11, 2018)

**UT: 36,000 Utah students save millions in future tuition with Concurrent Enrollment courses**  
*KUTV* (Date posted: November 9, 2018)

**WI: Op-ed: Fewer state grads isn't UW's only problem**  
*Wisconsin State Journal* (Date posted: November 10, 2018)

# Contact

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