

Federal Update

November 19, 2024

Tom Harnisch, Vice President for Government Relations

State Higher Education Executive Officers Association (SHEEO)



SHEEO

State Higher Education
Executive Officers Association

About SHEEO

- The State Higher Education Executive Officers Association (SHEEO) serves the chief executives of statewide governing, policy, and coordinating boards of postsecondary education and their staffs.
- Founded in 1954, SHEEO promotes an environment that values higher education and its role in ensuring the equitable education of all Americans, regardless of race/ethnicity, gender, or socioeconomic factors.
- Offices in Boulder and Washington DC, with a focus on policy research, leadership, and advocacy. We are the leading national association representing states in higher education.
- SHEEO works on a range of issues from college prep to access, retention, and alignment to the workforce
- SHEEO is a non-partisan organization representing 63 members across the 50 states.

Today's Presentation

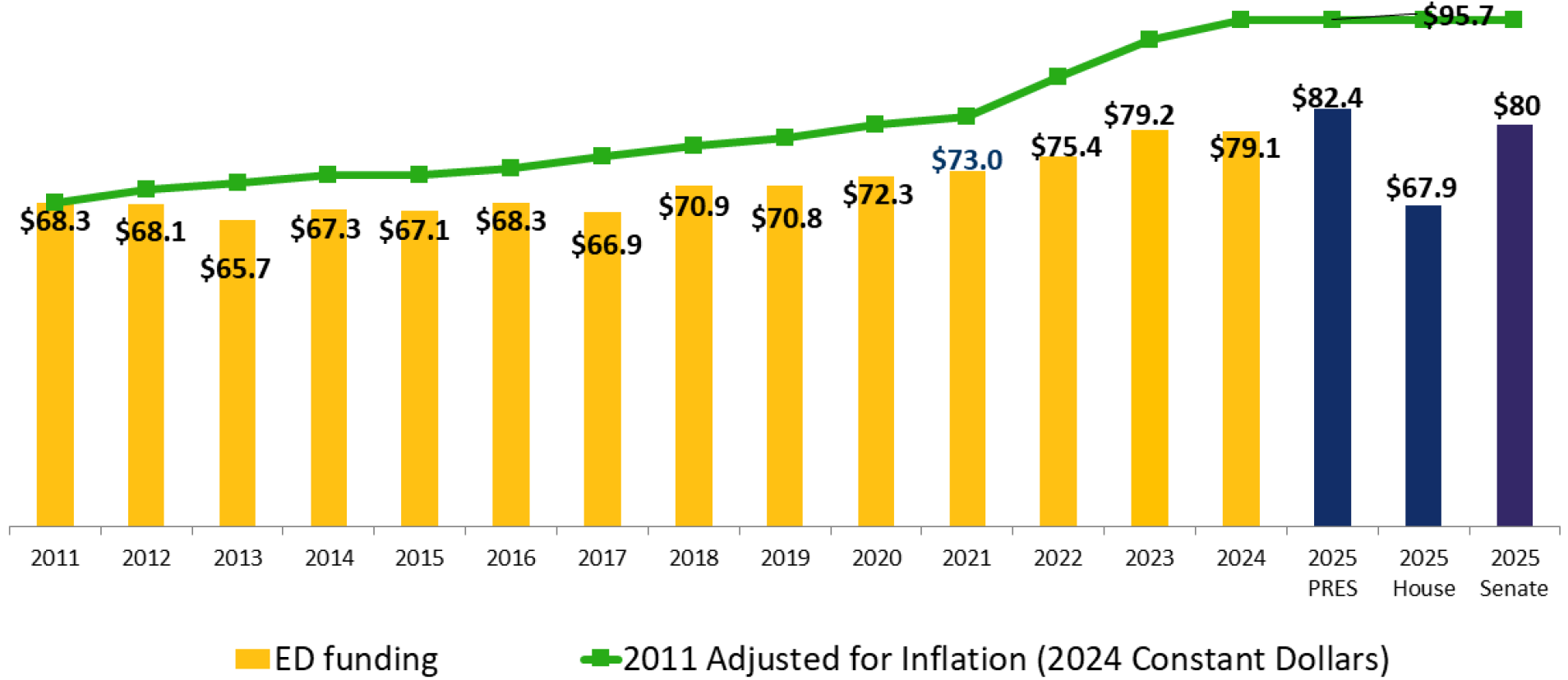
- **Congress-Lame Duck Session for the 118th Congress:**
 - FY25 Appropriations
 - Higher education issues
 - Other Issues
- **Executive Branch**
 - FAFSA Beta Testing-4th and final round
- **Judicial Branch**
 - Loper Bright Enterprises v. Raimondo
 - Biden-era regulations
- **Looking Ahead to 2025 and 119th Congress**
 - Changes on Capitol Hill
 - Priorities of the Trump Administration

FY 25 Appropriations

- Congress has passed a continuing resolution to keep the federal government funded until December 20, 2024.
- The House and Senate are still far apart on spending priorities:
 - The House bill (GOP) includes substantial cuts to higher education programs, particularly teacher education, campus childcare, and campus-based aid.
 - The Senate either flat-funds or gives modest increases to education programs.
- Congress is expected to pass another CR until 2025
 - Dems are pushing for end-of-year omnibus, House GOP wants CR until March. Scalise calling for September.

FY25 Appropriations

**2025 Senate Bill Increases Education Funding,
But it is Still Below 2011 Enacted Level (\$28 billion Below Inflation-Adjusted Level)**
(Department of Education Discretionary Funding in Billions of Dollars)



Appropriations

- **Maximum Pell Grant:**

- 2024: \$7,395
- President: \$8,145
- House Committee: \$7,395
- Senate Committee: \$7,495

- **FSEOG:**

- 2024: \$910M
- President: \$910M
- **House: \$455M**
- Senate: \$910M

- **Federal Work-Study**

- 2024: \$1.23B
- President: \$1.23B
- **House: \$615M**
- Senate: \$1.23B

- **GEAR UP**

- 2024: \$388M
- President: \$398M
- House: \$388M
- Senate: \$393M

- **TRIO**

- 2024: \$1.191B
- President: \$1.211B
- House: \$1.191B
- Senate: \$1.211B

- **Child Care Access Means Parents in Schools**

- 2024: \$75M
- President: \$80M
- **House: \$0**
- Senate: \$80M

- **FIPSE (non-earmark)**

- 2024: \$171M
- President: \$262M
- **House: \$100M**
- Senate: \$191M

- **FIPSE (earmark)**

- 2024: \$202M
- President: \$0
- **House: \$0**
- Senate: \$206M

Higher Education Issues

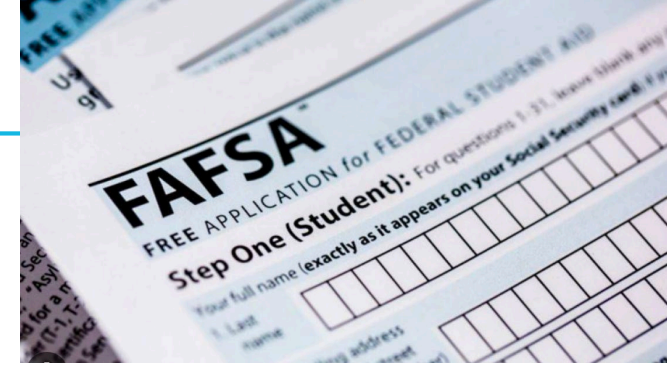
- FAFSA Deadline Act
 - Mandates an October 1 start date
 - Passed the House with near-unanimous support, higher ed community support
- Bipartisan Stop Campus Hazing Act (House)
 - Requires institutions to report hazing incidents under the Clery Act
 - Requires preventative educational programs
- End Woke Higher Education Act
 - Ensures colleges are not forced by accreditors to commit to DEI principles
 - Makes free speech a campus condition of receiving Title IV
 - ACE has expressed concern over the bill

Other Issues

- Other issues in lame duck
 - Disaster assistance
 - Defense authorization
 - Farm Bill
 - Confirm judges (Senate)



FAFSA Beta Testing Update



- The U.S. Department of Education is in the 4th and final round of beta testing for the 25-26 FAFSA
 - More than 14,000 students have submitted a FAFSA
 - No critical bugs have been reported
 - 95% satisfaction rate in beta testing
- The form is expected to be released prior to the end of the month

Court Decisions/Cases



- Regulatory Policy: Loper Bright Enterprises v. Raimondo
 - This decision struck down the 40-year *Chevron* defense
 - Chevron: Two-step approach
 - Step One: Has Congress spoken to the precise question at issue?
 - If yes, then must give effect to the intent of Congress.
 - If no, move to Step Two
 - Step Two: Is the agency's interpretation reasonable?
 - If yes, then defer to the agency's interpretation
 - If no, the court can provide its own interpretation or send it back to the agency for reconsideration.
 - Key question: To what extent should courts defer to federal agencies in interpreting federal laws?
 - The Court ruled that ambiguity “is simply not a delegation of law-interpreting power” and that the APA and the Constitution requires courts to decide on questions of law. Courts, not agencies, should have the final say. There is a “best reading” of the law from courts, not just a permissible one.
 - This shifts power to the courts from the executive branch, could limit regulations

Court Decisions/Cases

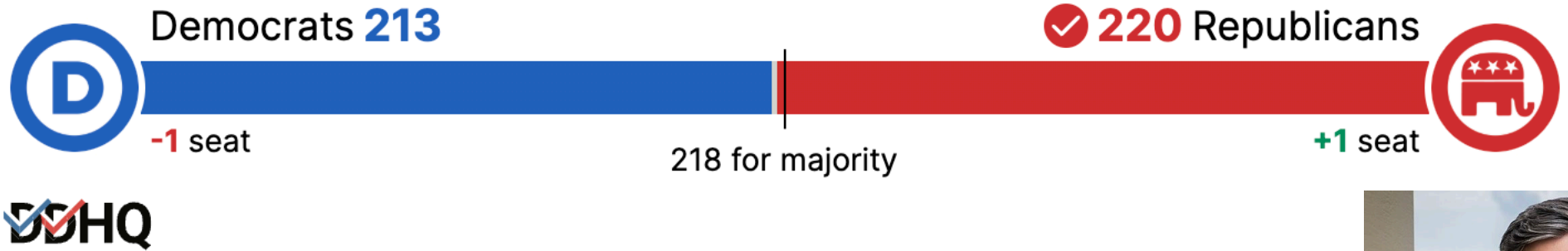
- Biden-era Higher Ed Regulations: Biden-era legal efforts on student loan forgiveness and Title IX likely to be abandoned
- Overtime rule
 - Overtime rule applies to non-exempt employees who earn below a threshold (\$35,568)
 - President Biden had proposed increasing the threshold to \$58,600
 - Overtime rule has been blocked by Texas-based federal judge
 - Trump administration unlikely to continue lawsuits, retain current policy



2024 Election-House

DDHQ 2024 House Results

Last updated: Nov 17, 2024, 11:08 AM



- House Speaker Mike Johnson (R-LA)
- House Minority Leader Hakeem Jeffries (D-NY)



119th Congress-Education and Workforce Committee

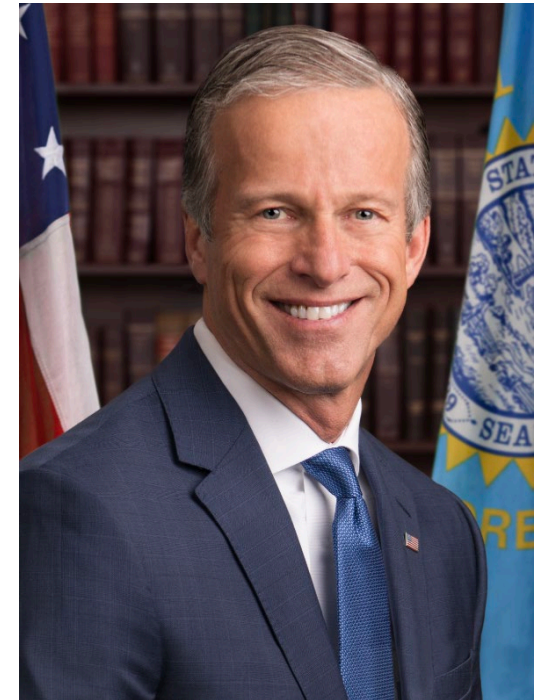
- Virginia Foxx will be stepping down as chair
- Competition between Rep. Burgess Owens (R-UT) and Rep. Tim Walberg (R-MI) for chair
 - Owens supports closing Department of Education, replacing it with something better
 - Walberg said will focus on workforce-related issues
 - Potential for College Transparency Act? Workforce Pell?
- Ranking Member: Rep. Bobby Scott (D-VA)



2024 Election-Senate



- Senate Majority Leader John Thune (R-SD)
- Senate Minority Leader Chuck Schumer (D-NY)



119th Congress-Senate HELP Committee

- Committee Chair: Sen. Bill Cassidy (R-LA)
- Ranking Member: Sen. Bernie Sanders (I-VT)
- Cassidy Priorities:
 - College Transparency Act: Create a federal unit record data system
 - Understanding True Cost of College: Uniform financial aid letters
 - Informed Student Borrowing Act: Clear Information about student loans
 - SAVE for Students Act: Lower loan repayment options for 9 to 2
 - GOAL Act: Ends Graduate PLUS Loans and limits graduate school borrowing
 - Other Issues: Opposed to DEI spending, Biden loan forgiveness, and concerned over campus protests on Middle East



Incoming Trump Administration



- **Regulations:** Trump Administration will likely target Biden-era higher ed regulations for rescission or revision
 - Gainful Employment and Financial Transparency likely to be removed
 - Biden-era Title IX changes, particularly on transgender protections
 - Biden-era student loan forgiveness efforts will likely be curtailed
 - Any regulation that has not fully completed the rulemaking process is likely to be discontinued
 - Other Biden-era regulations will be targeted
- **Financing:** Funding for financial aid. Potential focus on risk-sharing and College College Reduction? Budget proposals will be limited.
- **Immigration:** Deportations remain a concern for higher ed leaders, along with visa issues
- **Other Issues:** There will likely be a greater focus on free speech, combating antisemitism, and new restrictions on DEI spending

Trump Statements on Higher Education

- Make Colleges and Universities Sane and Affordable
 - “Republicans will fire Radical Left accreditors, drive down Tuition costs, restore Due Process protections, and pursue Civil Rights cases against Schools that discriminate.” (Agenda 47)
- Accessible Higher Education
 - “To reduce the cost of Higher Education, Republicans will support the creation of additional, drastically more affordable alternatives to a traditional four-year College degree.” (Agenda 47)
- Abolish U.S. Department of Education
- Create a federally funded online university
- More taxes on university endowments



Project 2025

- *Has been disavowed by Trump campaign, but was written by former Trump Administration staffers*
- These changes will face an uphill climb on Capitol Hill
 - Eliminate the Department of Education
 - Move Office of Postsecondary Education programs to the Department of Labor
 - Block grant funding for HBCUs and Tribal Colleges
 - Move the NCES to Census
 - Spin off Federal Student Aid to separate corporation overseen by Treasury
 - End loan forgiveness
 - Overhaul accreditation

20

**Mandate *for*
Leadership**

The Conservative Promise

25

Foreword by Kevin Roberts, PhD
Edited by Paul Dans and Steven Groves

SHEEO Daily Policy Update

SHEEO provides the latest press releases, reports, and news clips on state and federal higher education policy.

Free and open to the public.

<https://sheeo.org/sheeo-newsletter-signups/>

**SHEEO****Higher Education
Policy Update**

Monday, April 15, 2024

[*Coalition Letter to Congress RE: Funding for SLDS and WDQI*](#)

SHEEO in the News

[Small private colleges are struggling to keep their doors open as declining enrollment leads to financial instability](#)

CNN (Date posted: April 13, 2024)

National Policy

[Report: Empowering Teams, Transforming Outcomes: A guide to building a holistic in-house student support program](#)

InsideTrack (Date posted: April 2024)

[Why Higher Ed Is Scared of a Second Trump Term](#)

Time (Date posted: April 12, 2024)

[Another Accreditor Faces No Consequences For Failing at its Job](#)

New America (Date posted: April 12, 2024)

Questions and Contact Information

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