

# Federal Update

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November 19, 2024

Tom Harnisch, Vice President for Government Relations

State Higher Education Executive Officers Association (SHEEO)



## SHEEO

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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 118<sup>th</sup> Congress:**

- FY25 Appropriations
- Higher education issues
- Other Issues

- **Executive Branch**

- FAFSA Beta Testing-4<sup>th</sup> and final round

- **Judicial Branch**

- Loper Bright Enterprises v. Raimondo
- Biden-era regulations

- **Looking Ahead to 2025 and 119<sup>th</sup> Congress**

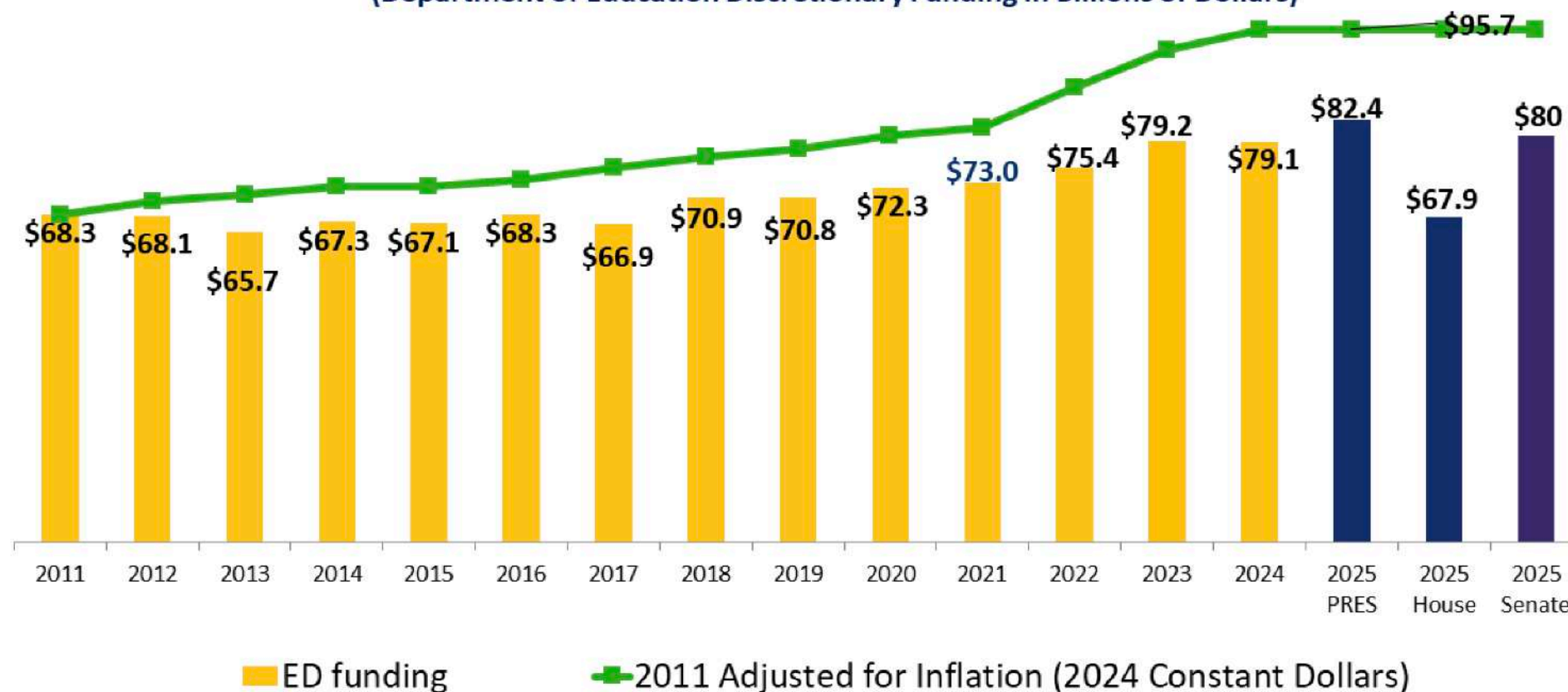
- Changes on Capitol Hill
- Priorities of the Trump Administration

## 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 4<sup>th</sup> 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

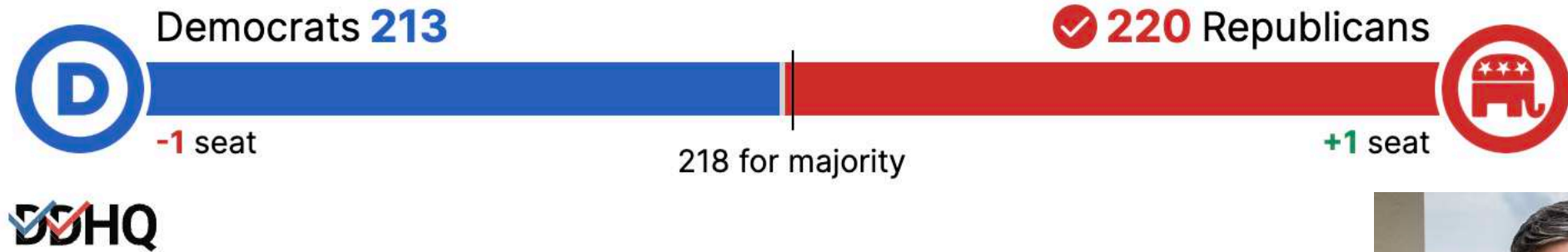
- Biden-era Higher Ed Regulations: Biden-era legal efforts on student loan forgiveness and Title IX likely to be abandoned
- Overtime rule
  - Overtime rule applies to non-exempt employees who earn below a threshold (\$35,568)
  - President Biden had proposed increasing the threshold to \$58,600
  - 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)



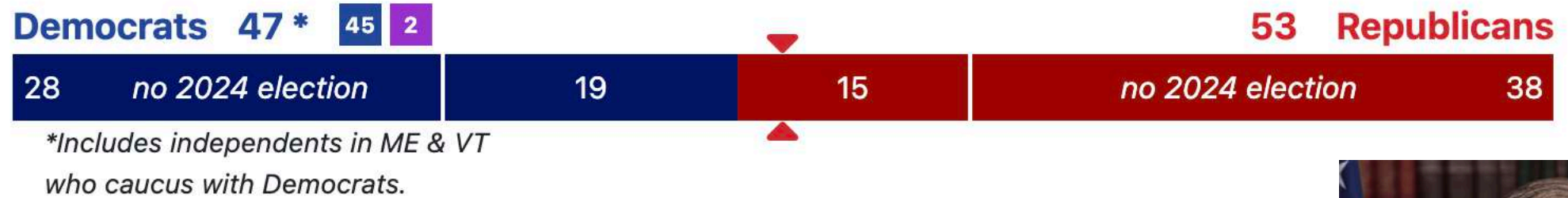
## 119<sup>th</sup> Congress-Education and Workforce Committee

- 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)

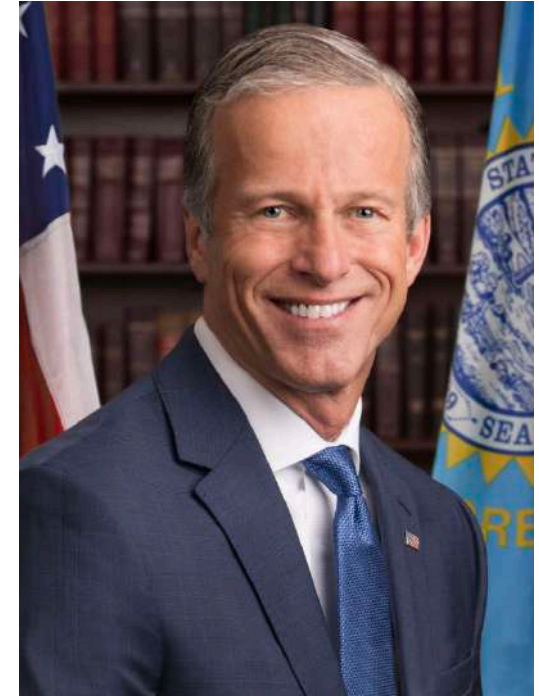




# 2024 Election-Senate



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



# 119<sup>th</sup> 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 recission 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



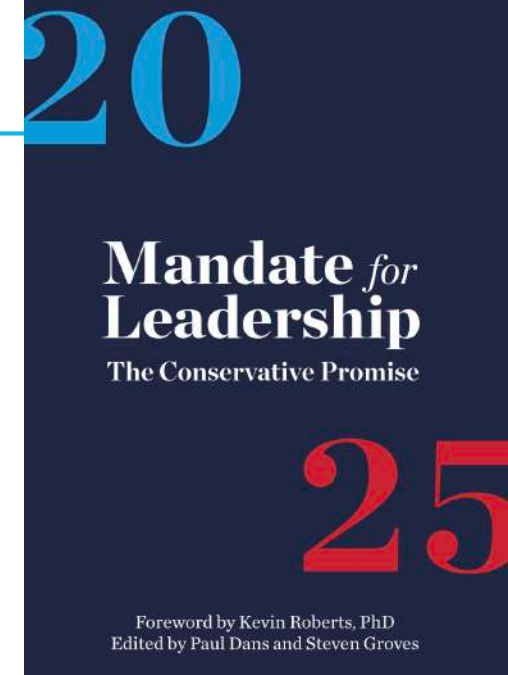
# Trump Statements on Higher Education

- 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



# 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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