

# Federal and State Policy Update



**NACEP Washington Policy Seminar**

**April 23, 2019**

**Thomas Harnisch, Director of State Relations, AASCU**

# 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**

# Policy Update

- **Federal Policy**
  - **Reauthorization of the Higher Education Act**
  - **Negotiated Rulemaking**
  - **Dual Enrollment**
- **State Policy**
  - **AASCU Top 10 Issues**
  - **Dual Enrollment**
- **Discussion/Questions**

# Federal Policy-HEA

- **The Higher Education Act (HEA) is the main vehicle for American higher education policy---grants, loans, aid to institutions**
- **Higher Education Act was supposed to be reauthorized in 2013, but many programs are on autopilot**
- **House and Senate education committees working on drafts, but reauthorization remains unlikely in the 116<sup>th</sup> Congress**

# Higher Education Act

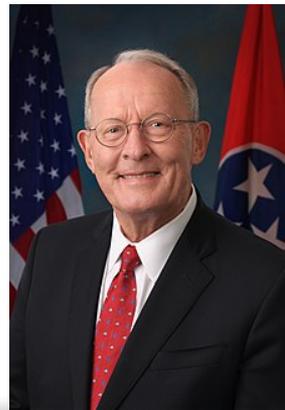
- Last authorized in 2008, due to be reauthorized in 2013. Many programs on permanent reauthorization.
- Vast law governing student aid, campus safety, direct aid to institutions, teacher education
- Competing visions between the two parties
- Key issue for AASCU: State-federal partnership
- Will we reach a compromise? Sen. Alexander wants to finish by Christmas

# HEA-The White House

- **Refocus accreditation on student outcomes**
  - Accreditation based on mission, not geography
- **Innovation in the higher ed marketplace**
- **Risk-sharing**
- **Encouraged accelerated pathways**
- **Loan limits**
- **Better data for student consumers**
- **Simplify student aid**
  - End PSFL, income-driven repayment at 12.5%, forgiveness after 15 years
- **Targeted aid for prisoners**
- **Workforce alignment**
  - Pell for short-term, high-quality programs. Reform work-study

# Sen. Alexander-Chair of Senate Ed. Committee

- **Cut down the number of FAFSA questions**
- **Reduce the number of repayment options. Have a 10-year and an income-based system**
- **Accountability---borrower repayment based on program and lose eligibility**
- **Others: Expand federal aid to prisoners, expand competency-based education, automatic deduction for loan repayment from paycheck**



# Rep. Bobby Scott

- **Early college credits**
- **FAFSA Simplification**
- **State-federal partnership**
- **College for the incarcerated**
- **DREAM Act**
- **One standard and income-based repayment**



# Rep. Bobby Scott-Aim Higher Act

available grant aid. In stark contrast, the Aim Higher Act creates a matching grant program for institutions to establish partnerships with K-12 school districts to support the development of dual enrollment and early college high schools. The bill also provides states with funding to increase student access to early credit pathways, including dual enrollment, early college high schools, and Advanced Placement and International Baccalaureate programs. By investing \$250 million in the first year, the bill aims to increase student access to college, improve affordability, and lead to higher degree completion rates.



# Dual Enrollment

- **Making Education Affordable and Accessible Act (SB 718)**
- **Amends the Higher Education Act**
- **Sponsors: Sen. Peters (D-MI), Sen. Cassidy (R-LA), Sen. Boozman (R-AR)**
- **Grants to institutions, particularly those serving low-income families, rural students, and first-gen students**
- **Grants to carry out dual enrollment programs, provide professional development, and support activities (curriculum design, course articulation process, outreach programs, help students meet eligibility requirements)**

# Dual Enrollment

- **Expanding Access to the Workforce Through Dual Enrollment Act of 2019**
- **Sponsors: Rep. Brown (D-MD), Rep. Hastings (D-FL), Rep. Clarke (D-NY), Rep. Wild (D-PA)**
- **Grant program to institutions not in excess of \$1M**
- **Priority to schools serving low-income students, low graduation rates, low college-going rates**

# Negotiated Rulemaking



# Negotiated Rulemaking

- **Process used to clarify terms in the law to aid in implementation**
- **Brought together stakeholders from a variety of groups over a three month period (Jan, Feb, March)**
- **Stakeholders negotiated on various rules in an effort to reach consensus. If no consensus is reached, Dept. of Education gets to write the rules.**
- **Department of Ed offered their perspective**
- **Opportunity to bring change outside the legislative process**

# Negotiated Rulemaking

- **Sec. DeVos: Current system is costly, favors status quo, discourages competition**
- **Interest in market-oriented approach to higher education**
- **Reduce barriers to entry for new providers, lighten the regulatory burden. Deregulate!**
- **Greater competition among providers, lower prices, challenge to the status quo**

# Negotiated Rulemaking

- **DeVos's vision not shared by everyone**
- **Deregulation could open the doors to waste, fraud and abuse**
- **This marketplace is propped up by massive taxpayer subsidies**
- **Some past deregulatory efforts have been devastating for students and taxpayers**

# Negotiated Rulemaking

- **Requirements for accreditors**
- **Recognition of accreditors**
- **Roles of the regulatory triad: states, accreditors, and the federal government**
- **Clarify the roles for allowing institutions to outsource instruction**
- **Definition of credit hour**
- **Distance education**
- **TEACH Grants**
- **Faith-based institutions**

# Examples of changes

- **Outsource of instruction to ineligible providers**
  - Dept wanted 100%, but current system kept with changes. Process is expedited.
- **Alternative standards**
  - Allow for separate standards for innovative programs. faculty teaching dual/concurrent enrollment, as long as agency deems them well-qualified
- **Greater leeway for being out of compliance with accreditors**

# Negotiated Rulemaking: Changes

- **definition of “instructor”**
- **accreditor monitoring reports kept private**
- **new accreditors**
- **direct assessment**

# Negotiated Rulemaking

- **Negotiators came to consensus, successfully pushing back against most of the Department's original proposals**
- **Most of the changes, however, weakened program integrity and accreditation**

# State Policy Issues

- 1. Federal Policy**
- 2. The Economy**
- 3. State Budgets and College Affordability**
- 4. Demographic Shifts**
- 5. Economic and Workforce Development**
- 6. Free College**
- 7. Implementation of the Tax Cuts and Jobs Act**
- 8. Immigration**
- 9. Campus Sexual Assault**
- 10. Political Polarization**

Source: AASCU New Compact Report, 2013

# State Issues



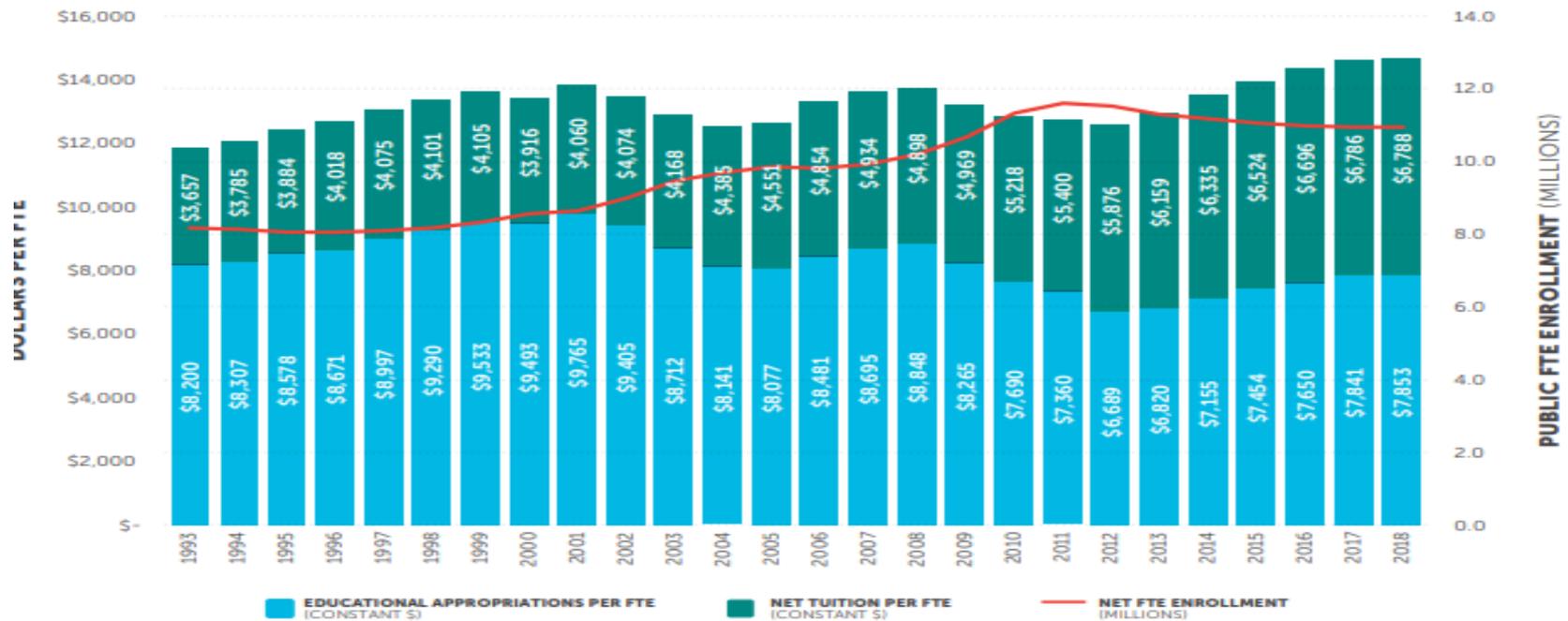
## – SHEF Report Issued Earlier this month

- **Key Findings:**

- Per-student funding for higher ed has only halfway recovered from recession
- Just nine states have return to pre-recession funding levels
- Most states: higher than 2012 or 2013, but lower than pre-recession levels
- Increase in state financial aid
- Tuition revenue has remained flat
- FTE student count declined in 35 states and DC

# State Issues

**FIGURE 1**  
**PUBLIC FTE ENROLLMENT AND EDUCATIONAL APPROPRIATIONS PER FTE, U.S., FY 1993-2018**



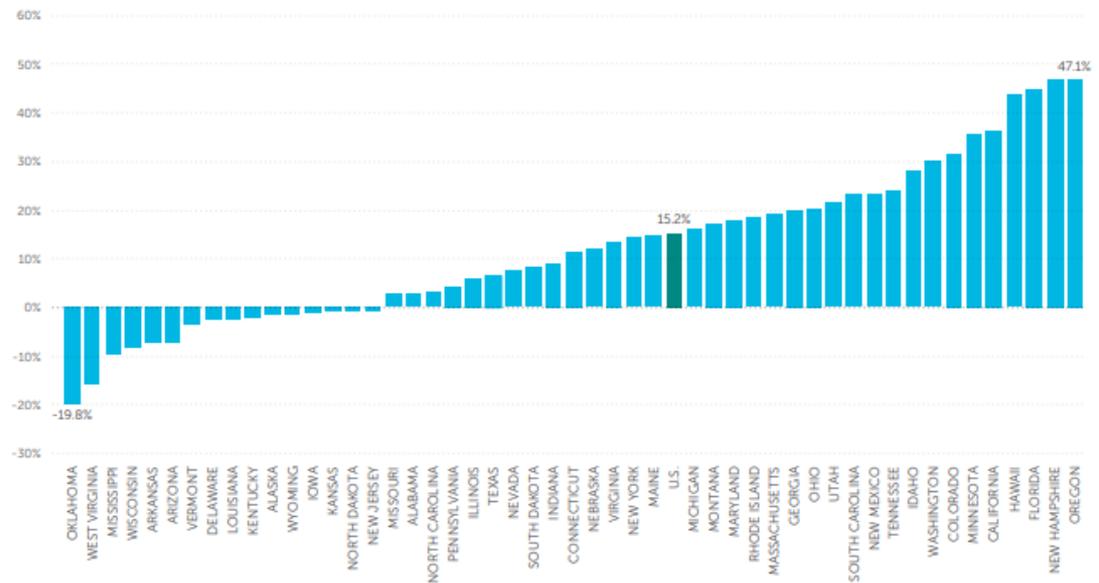
**NOTES:** 1. Net tuition revenue used for capital debt service is included in the above figures.  
2. Constant 2018 dollars adjusted by SHEEO Higher Education Cost Adjustment (HECA).

**SOURCE:** State Higher Education Executive Officers Association

# State Issues



**FIGURE 5**  
**PUBLIC HIGHER EDUCATION EDUCATIONAL APPROPRIATIONS PER FTE:**  
**PERCENT CHANGE, FY 2013-2018**



**NOTES:**

1. Educational appropriations are a measure of state and local support available for public higher education operating expenses including ARRA funds, and exclude appropriations for independent institutions, financial aid for students attending independent institutions, research, hospitals, and medical education.
2. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time.

**SOURCE:** State Higher Education Executive Officers Association

# Demographics-Population Shifts

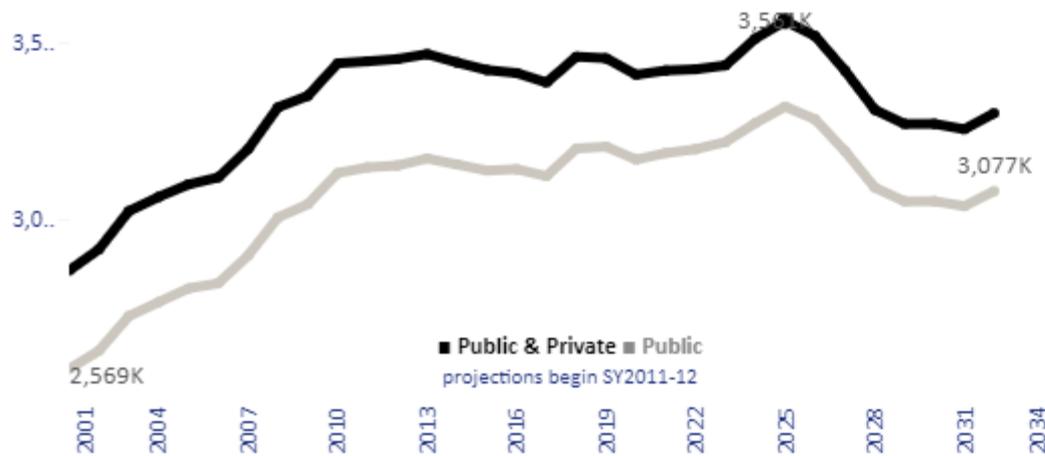
Nation & Region Profile Overall Public Race/Eth Private Schools

Profile for the Nation

Nation



Overall High School Graduate Trends



- 3,409,100 high school graduates, on average, projected per year between school years 2011-12 and 2031-32.

- The total number of graduates is projected to increase by 3.1% between 2011-12 and 2024-25, the next highest year for the United States.

Source: WICHE, 2016

# Population Shifts

State Profile Pg 1 Overall Pg 1 Public Race/Eth Pg 1 Private Schools

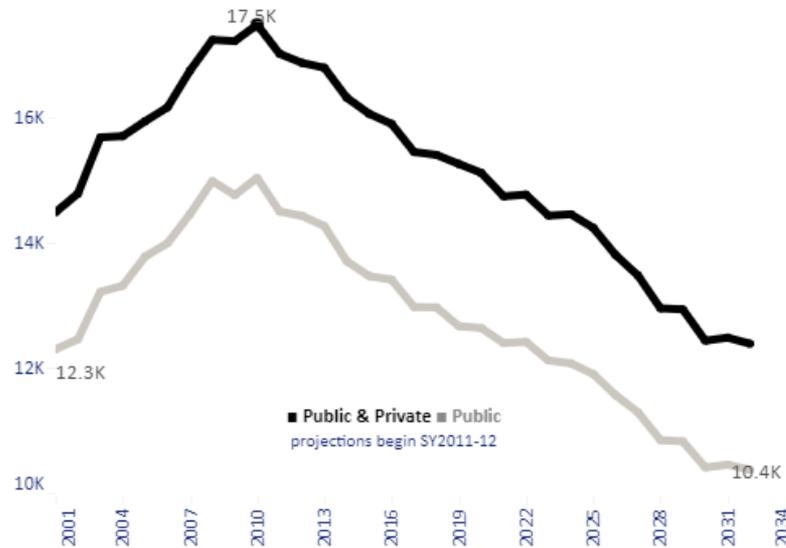
State Profile for New Hampshire

New Hampshire



**KNOCKING AT THE COLLEGE DOOR**

Overall High School Graduate Trends



- 14,600 high school graduates, on average, projected per year between school years 2011-12 and 2031-32.

- The total number of graduates in New Hampshire is not projected to increase after 2011-12, ending at 12,400 in 2031-32.

- New Hampshire generates about 2.4% of the Northeast's total, on average



Source: WICHE, 2016

# Population Shifts

State Profile Pg 1 Overall Pg 1 Public Race/Eth Pg 1 Private Schools

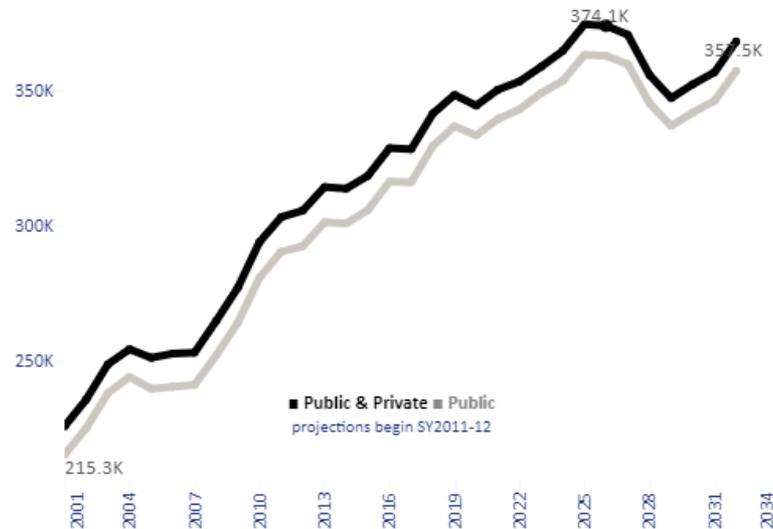
State Profile for Texas

Texas



**KNOCKING**  
AT THE COLLEGE DOOR

Overall High School Graduate Trends



- 2nd highest producer of high school graduates with 346,300 high school graduates, on average, projected per year between school years 2011-12 and 2031-32.

- The total number of graduates is projected to increase by 22.6% between 2011-12 and 2024-25, the next highest year for Texas.

- Texas generates about 27.1% of the South's total, on average



Source: WICHE, 2016

# Demographics

- **“Birth dearth” ahead for public higher education starting in 2025-26**
- **Demographic challenges already underway in some areas**
- **Will vary from region to region, but AASCU institutions will be on the front line of demographic shifts**

# Free College

- Continued “free” and “debt-free” college bills
- Generally last-dollar bills paying tuition and fees
- Usually limited to community college
- California, Hawaii, Michigan, North Carolina, Rhode Island, Washington, West Virginia among the states with gubernatorial leadership on this issue
- WV bill signed into law

Source: WICHE, 2016

# Free Speech

- **Bill introduced throughout the nation**
- **Governors have signed bills on free speech in AR, IA, KY ND, SD this year**
- **Gubernatorial interest from Florida, Texas governors**
- **Many of these bills simply restate existing law. Free speech zones are a core area of concern.**
- **Key flashpoint: students groups, religious freedom, and discrimination**

# Immigration

- **Mixed state-level outcomes for DACA and undocumented students in recent years.**
  - **Some movements toward, others toward greater restrictions**
- **Encouraging signs in the GOP for in-state tuition for DACA students**

# Basic Needs

- **Growing interest in addressing food and housing insecurity on campus**
- **Bills in legislatures to study the issue, establish “hunger-free designation”**
- **Pilot program approved in WA legislature to assist students struggling with homelessness and those transitioning out of foster care**
- **California legislation to allow homeless students to park on campus overnight**

# Dual Enrollment Issues in the States

- **Religious debate in Vermont**
- **Cost concerns in Georgia**
- **Private and home schooled children in Florida would get access to dual enrollment**
-

# TODAY'S HIGHER EDUCATION Policy HEADLINES

**AASCU** American Association  
of State Colleges and  
Universities  
Delivering America's Promise

[Register Today!](#)

[AASCU Webinar---Higher Education Act Reauthorization in the 116th Congress:  
Real Possibility or Mere Mirage?  
Thursday, March 28 at 1pm Eastern. Free and Open to the Public](#)

**March 19**

## [AASCU in the News](#)

[Presidential Hopefuls Are Pushing Free College Back Into the Spotlight. But What Does 'Free' Mean, Anyway?](#)  
*The Chronicle of Higher Education*-subscription required (Date posted: March 18, 2019)

## [National Headlines and Reports](#)

[Report: Proposals to Reform the Higher Education Act](#)  
*The White House* (Date posted: March 18, 2019)

[Here's What the Trump Administration Wants to Change in Higher Ed's Landmark Law](#)  
*The Chronicle of Higher Education* (Date posted: March 18, 2019)

[Student Loan Caps Proposed in White House Higher Education Plan](#)  
*Bloomberg Government* (Date posted: March 18, 2019)

[Sen. Gillibrand: Expand GI bill to make college free with public service](#)  
*MSNBC* (Date posted: March 18, 2019)

[Confused About How 'Free College' Programs Differ? This Primer Can Help](#)  
*The Chronicle of Higher Education* (Date posted: March 18, 2019)

[Op-ed: The Cruel Irony of 'Free' College Promises](#)  
*The New York Times* (Date posted: March 18, 2019)

[Millennial Presidential Candidate Pete Buttigieg Has Actual Ideas for Solving the Student Loan Crisis](#)  
*VICE* (Date posted: March 18, 2019)

[Presidential candidate talks higher education funding](#)  
*The Western Courier* (Date posted: March 18, 2019)

[Op-ed: Trump probably wasn't thinking about these campus free-speech problems](#)  
*The Washington Post* (Date posted: March 18, 2019)

## [State Headlines and Reports](#)

[FL: House poised to consider higher ed spending changes](#)

**AASCU** American Association  
of State Colleges and  
Universities  
Delivering America's Promise



**Subscription Link:**

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



**@aascupolicy**