

AACC POST-ELECTION WEBINAR



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TOPICS

- Election Basics
- New Congress
- Administration Personnel and Likely Policies
- FY 2017 Funding
- FY 2018 Funding
- Infrastructure
- Regulatory Environment/Prospects
- DACA
- Higher Education Act/Budget Reconciliation
- Perkins CTE Act
- Tax Reform

ELECTION BASICS

- **Trump's Surprise Triumph**
 - **Less-Educated Whites Seen as Critical Swing Group**
 - **Strong Rural Turnout Also Key**
 - **Economic Message Seems to Overlap With Community College Priorities**
 - **Few Specifics on Many Higher Education CC Issues, in Contrast to Clinton**
- **Senate: Two Democratic Pick-Ups (52 R – 48 D)**
- **House: Six Democratic Pick-Ups (241 R – 194 D)**

CONGRESS – GENERAL

- **Presidential Transition Slows Down Activity**
- **Some Top (and Time-Consuming) Priorities Include:**
 - Cabinet Confirmations
 - Supreme Court
 - Immigration Reform
 - Tax Reform
 - Obama Care Repeal via Reconciliation
 - Infrastructure Initiative

NEW CONGRESS - SENATE

- **Less Change Than Anticipated**
- **Alexander (R-TN) and Murray (D-WA) Retain Key Posts on HELP**
 - Good News for CCs
- **Appropriations and Finance Leadership Remains Stable**
- **Level of Cooperation From Democrats and Future of Filibuster in Question**

NEW CONGRESS+HOUSE

- **Virginia Foxx (R-NC) New Chair of Ed/Workforce**
 - Higher Education Subcommittee Chair and Ranking Undetermined
- **Rod Frelinghuysen (R-NJ) New Apps. Committee Chair**
- **Tom Cole (R-OK) Remains as Labor-HHS-ED Sub. Chair**
- **Kevin Brady (R-TX) Continues to Head Ways and Means Committee**

NEW ADMINISTRATION PERSONNEL

- **Sec. of Education: Betsy DeVos**
 - Virtually No Record on Higher Education
 - Strong Support for Charter Schools and Vouchers
 - Seems Willing to Question Existing Practices
 - Major Republican Donor and Former Michigan Party Head
- **Sec. of Labor: Andrew Puzder**
 - Private Sector Background - Headed Hardee's and Carl's Jr.
 - Strong Opponent of Obama Overtime Rule and \$15 Minimum Wage
- **Sub-Cabinet Posts Critical in Both Agencies**

FY 2017 FUNDING

- **Process Altered Dramatically by Election Results**
- **“Continuing Resolution” (CR) Through April 28 Now in Effect**
 - Generally Maintains FY 2016 Funding
- **CR Means Little to No “Frills”**
 - Year-Round Pell Grant Not Included
- **Year-Round Pell Grant Faces Tough Fight in Final Version of Legislation**
 - AACC Will Continue to Advocate

FY 2017 FUNDING—PELL GRANTS

- **Maximum Grant for AY 2017-18 is \$5,920**
 - Last year of CPI Increases Absent Statutory Changes
- **Community College Participation in Program Still Strong But Absolute Numbers Have Dropped with Sector Enrollments**
- **Program Has Large (~\$7.8 B) Surplus**
 - Substantial Declines in Program Costs Have Extended Surplus
 - Irresistible to Appropriators

FY 2018 FUNDING

- **Budget Control Act Sequester Caps Set to Take Effect**
 - BCA Cap for Defense May be Breached
 - Domestic Increases Much Less Likely (contrast to Obama years)
 - Non-Defense Discretionary Spending Could be in for Rough Ride
- **Trump May Not Produce FY 2018 Budget**
- **AACC Proposals Will Be Restrained**
 - Maintaining Current Funding May Be Realistic Goal
- **DOL Programs/WIOA Could be in Cross-Hairs**

INFRASTRUCTURE

- **Major Trump Campaign Theme**
- **Community Colleges Continue to Have Massive Needs**
- **AACC is Pursuing Both Direct Funding for Facilities and For Training Needed Workers**
- **Financing of Initiatives is Unclear Given Deficit and Fiscal Environment**

NEW REGULATORY ENVIRONMENT

- **Potential for Dramatic Change Given Bent of New Administration Coupled with Obama Administration's Policies**
- **Deferred Action on Childhood Arrivals Major Concern and Focus**
- **Gainful Employment**
 - **New Earnings Data Have Become Available**
- **Borrower Defense to Repayment**
- **Title IX Administration is Likely to Change**
- **FLSA Ruling**

DACA

- **Specific Plans for DACA Unclear**
 - 100 Day Plan Calls for Reversing Executive Orders on Immigration
 - Recent Comments by Trump and Others Cause for Guarded Optimism?
 - “Termination” of DACA Could Be Immediate or Phased In
- **Durbin/Graham Legislation Would Codify DACA**
 - BRIDGE Act Would Create Temporary “Provisional Protected Presence” Status for Those that Qualify for DACA

HEA REAUTHORIZATION

- **Many Unknowns Given Election**
 - Administration May or May Not Become Major Player
- **No New Money**
- **Accreditation, Risk-Sharing Remain CC Worries**
- **Top Priorities Include:**
 - YR Pell Grant
 - Short-Term Pell Funding
 - Loan Reforms
 - Outcomes Measurement Reforms
 - State Maintenance of Effort
- **Senate HELP Committee Key Locus of Activity**

HIGHER EDUCATION AND BUDGET RECONCILIATION

- **Reconciliation Requires Simple Majority in Senate**
- **May Be Used For Changes to Federal Student Loans (Covers Mandatory Programs Only)**
- **Student Loan Subsidies of Various Types May be on Table**
 - In-School interest, IDR, PSLF
 - Recent GAO Report
- **Candidate Trump Proposed Expanding IBR**
- **AACC Position: Loan Subsidy Savings Should Go to Pell Program to Sustain Annual Increases**

CARL PERKINS ACT REAUTHORIZATION

16

- **Reauthorization Passed House late Summer**
 - **AACC Supported Legislation**
 - Better Alignment With WIOA
 - Career Pathways Enhancement
 - Improved Integration With Business
 - Maintained Basic Funding Structure
- **Senate Action Hoped for But Did Not Occur in 2016**
- **Candidate for Relatively Expeditious Action in 2017**
 - Before HEA Reauthorization

TAX REFORM

- **Top Congressional and Trump Priority**
- **Likely Use of Reconciliation to Expedite**
- **Appears Likely to be Far-Reaching**
 - Sacred Cows on Table
- **Camp 2014 Reform Draft is Guiding Document**
- **CC Concerns Include:**
 - Modification of Charitable Deduction
 - Tax Exempt Bonds Financing
 - Section 127
 - Tax Credits
- **Will Want to Correct AOTC Interaction With Pell**

KEEP IN TOUCH!

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