Overview

• FY 2014 Budget and Appropriations
• White House Higher Education Summit
• Obama College Affordability Proposals Implementation
• Gainful Employment Negotiated Rulemaking
• HEA Reauthorization Hearings
• Affordable Care Act
• Lightning Round
FY 2014 Budget & Appropriations

• House and Senate Budget Committee chairs announced 2-year budget deal December 10; no “Grand Bargain.”

• The Bipartisan Budget Act (BBA) sets overall discretionary spending at $1.012 trillion for FY 2014.
  – Splits the difference between House and Senate.

• BBA provides $45 billion in sequester relief (raising appropriations cap) for FY 14 and $18 billion for FY 15.
  – Split evenly between defense and NDD.

• Cost is offset with $85 billion in savings and new revenues (user fees) over 10 years, leaving $22 billion in deficit reduction.
FY 2014 Budget & Appropriations

• Extends sequestration for 2 additional years on nonexempt mandatory programs (beyond 2021).
• House approved BBA on Dec. 12 (332-94).
  – Senate scheduled to vote this week.
• Assuming passage, work resumes on FY 14 appropriations.
  – Senate appropriators have challenge since they spent $1.058T on FY 14 bills (versus new topline of $1.012T).
  – House appropriators used $967 billion as their topline.
  – New allocations may not be distributed proportionately to 12 bills.
FY 2014 Budget & Appropriations

• Appropriators face difficult funding decisions in the Labor-HHS-ED bill but Pell Grant program seems safe.

• Congress likely to consider omnibus funding bill in early January, prior to expiration of the current continuing resolution (CR) on Jan. 15.

• Looking ahead – Nearly flat funding for NDD for next two years.

• Debt ceiling deadline in February or shortly thereafter.

• President’s FY 2015 budget possibly in mid-February.
White House “Skills Summit”

- Scheduled for Dec. 11, postponed to January.
- Focused on increasing college success.
- Reflects First Lady’s new interest (recent speech).
- Three primary foci with new themes:
  --Remediation
  --Promoting better college “matches”
  --Enhancing counseling
- Commitments sought from all attendees.
White House “Skills Summit”

- Business, philanthropy, foundations also involved.
  - Approximately 140 attendees invited.

- Strong community college participation.
Obama College Affordability Proposals

• Ratings System.
  – Continues to be refined internally.
  – College scorecard may include new information early in 2014 (earnings).
  – Administration held four regional forums on proposals in November
    • AACC delivered views (on website).
  – RFI published in today’s FR to allow others to present views.

• ED RFI (Fed. Reg. 12/6) asking for experimental site suggestions.
  – Dual enrollment, PLA, competency-based programs.

• ED contacting students to ensure they are aware of income-based repayment plans.
Obama College Affordability Proposals

• “Request for Information” for postsecondary institutions rating system (PIRS) published 12/16.
• Broad solicitation for input: data elements, metrics, methods of data collection, weighting or scoring, and presentation frameworks.
• To “assess of institutions and advance institutional accountability while also enhancing consumer useful information”
• Symposium to follow
• AACC likely to stay on sidelines for now
Gainful Employment “Neg Reg”

- Gainful employment (GE) programs include virtually all certificate programs at CCs eligible for federal Title IV aid.
  - Regulations impact program eligibility, reporting and new GE Title IV program approval.
- Third and final negotiation session held Dec. 13 without consensus.
  - ED has authority to write NPRM under normal process.
- Latest draft much less problematic in terms of program impact.
  - Loan repayment rate and single CDR measure dropped.
- Huge regulatory burden (reporting to ED to generate data on DTE and disclosures) remains.
- CCs well represented by 5 negotiators and/or alternates.
- Neg reg 2014: Title IV Program Integrity and Improvement.
• House has held 12 context-setting hearings with strong CC representation.
  – November House Pell Grant hearing showed different approaches of Rs (cost, abuse) and Ds (funding).
• Senate hearings also continue.
  – AACC testified on accreditation Dec. 12th emphasizing benefits of peer review as changes were considered.
• Bills may emerge in 2014 but enactment unlikely.
• AACC proposals on table but may be modified as debate proceeds.
Affordable Care Act

- House Ed/Workforce hearing Nov. 14, effort to cast harsh light on impact on schools, college employees, etc.
  - Much attention on adjuncts with New Faculty Majority witness.
  - Many questions delved into college economics in re: adjuncts.
  - George Miller (D-CA) announced online adjunct forum.
  - House Republicans followed suit in slightly different forum.

- Treasury clarification beyond 1/2/13 regulation may be forthcoming.

- AACC has provided formal policy recommendations to IRS followed by less formal advocacy/input.
Lightning Round

- **WIA**
  - Stakeholders holding meetings to advocate Senate floor consideration early in 2014.
  - Majority leader Reid has filed motion to proceed.

- **Immigration**
  - Prospects for House consideration of comprehensive bill remain unlikely.
  - Stakeholders continue events to prod action.
    - AACC cosponsored briefing.

- **Veterans**
  - Legislation still pending to help out-of-state vets attending public institutions.
Upcoming Events

• National Legislative Summit
  – February 10-13, Washington D.C.

• AACC Annual Convention
  – April 5-8, Washington D.C.
Thank You and Happy Holidays!