Federal Higher Education Policy: What’s Next from DC? And Why Does It Matter?

Midwestern Higher Education Compact Annual Meeting

November 15, 2018

Thomas Harnisch

American Association of State Colleges and Universities
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
Key Issues

• The 2018 Midterm Election and Its Consequences
  • Contentious Lame Duck Session
  • Return of Budget Politics
  • Authorizing Legislation, Ideological Battles, Gridlock
  • Increased Oversight from House Dems

• Other Federal Issues
  – Regulatory Changes
  – International Students, visas, etc.
  – VA Benefits
The 2018 Midterm Elections-House

House of Representatives: **218** need for majority

- Pre-election: Democrats 193, GOP 235, 7 Vacant
- Post-election: Democrats 227, GOP 198, 10 TBD

Source: NYTimes.com
The 2018 Midterm Elections-Senate

Senate: 50 needed for GOP Control

- Pre-election: Democratic Caucus 49, GOP 51
- Post-election: Democrats 47, GOP 51, 2 TBD (likely GOP)

Source: NYTimes.com
# 2018 Election and the Educational Divide

## Education

<table>
<thead>
<tr>
<th>Education</th>
<th>Democrat</th>
<th>Republican</th>
<th>No Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>HS or less (23%)</td>
<td>48%</td>
<td>51%</td>
<td>1%</td>
</tr>
<tr>
<td>Some college (25%)</td>
<td>52%</td>
<td>47%</td>
<td>1%</td>
</tr>
<tr>
<td>Associate’s degree (11%)</td>
<td>47%</td>
<td>50%</td>
<td>3%</td>
</tr>
<tr>
<td>Bachelor’s degree (24%)</td>
<td>55%</td>
<td>43%</td>
<td>2%</td>
</tr>
<tr>
<td>Advanced degree (17%)</td>
<td>65%</td>
<td>34%</td>
<td>1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Are you a college graduate?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democrat</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

18778 Respondents

Source: CNN Exit Poll, 2018
# 2018 Election and the Educational Divide

## Education and race

<table>
<thead>
<tr>
<th></th>
<th>Democrat</th>
<th>Republican</th>
<th>No Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>White college graduates</td>
<td>53%</td>
<td>45%</td>
<td>2%</td>
</tr>
<tr>
<td>31%</td>
<td>37%</td>
<td>61%</td>
<td>2%</td>
</tr>
<tr>
<td>Whites no degree</td>
<td>77%</td>
<td>22%</td>
<td>1%</td>
</tr>
<tr>
<td>10%</td>
<td>76%</td>
<td>22%</td>
<td>2%</td>
</tr>
</tbody>
</table>

## Whites by education and gender

<table>
<thead>
<tr>
<th></th>
<th>Democrat</th>
<th>Republican</th>
<th>No Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>White college women</td>
<td>59%</td>
<td>39%</td>
<td>2%</td>
</tr>
<tr>
<td>16%</td>
<td>42%</td>
<td>56%</td>
<td>2%</td>
</tr>
<tr>
<td>White non-college women</td>
<td>47%</td>
<td>51%</td>
<td>2%</td>
</tr>
<tr>
<td>21%</td>
<td>32%</td>
<td>66%</td>
<td>2%</td>
</tr>
<tr>
<td>White college men</td>
<td>76%</td>
<td>22%</td>
<td>2%</td>
</tr>
<tr>
<td>15%</td>
<td>32%</td>
<td>66%</td>
<td>2%</td>
</tr>
<tr>
<td>White non-college men</td>
<td>76%</td>
<td>22%</td>
<td>2%</td>
</tr>
<tr>
<td>20%</td>
<td>32%</td>
<td>66%</td>
<td>2%</td>
</tr>
</tbody>
</table>

18,778 Respondents

Source: CNN Exit Poll, 2018
2018 Election and the Educational Divide

Blue Streak
Voters increasingly back Democrats in the 30 House districts with the highest shares of people with bachelor’s and advanced degrees.

Representative: Democratic □ Republican □

Note: Attainment for ages 25 or higher, *As of Friday, Calif. 45th district has yet to be called.
Source: U.S. Census (attainment); Associated Press (2018 results); Atlas of U.S. Presidential Elections (other results)

Source: *Wall Street Journal*, 2018
2018 Election and the Educational Divide

– Democrats now represents 27 of 30 House districts with the highest educational attainment
– Of the 34 House seats won by Democrats, 29 are in the top half of educational attainment
– Democrats won big in suburban House seats, Republicans won rural Senate seats
– Political battle lines: rural (GOP), urban (Democrats), and suburban (swing)

Source: Wall Street Journal, 2018
115th Congress-Lame Duck Session

1. Difficult Lame Duck Session to Finish the 115th Congress
   1. "Must-pass" spending bill due December 7th. Punting until 2019 is unlikely as GOP loses control of House. Shutdown possible. 7 appropriations bills left.
   2. GOP wants to deliver border $$$ to President Trump before ceding power. DACA discussions could re-emerge in trade with Dems. What will Dems and President Trump accept?
   3. Democrats: Want to protect Robert Mueller
   4. Higher Education: Little to no chance of approving (or even discussing) GOP Higher Education Act Reauthorization bill (PROSPER Act). The bill lacks supports. 5 years overdue now.
116th Congress-Return of Budget Politics

• Likely a return to Obama-era showdown and brinksmanship between the House, Senate and White House
• Increased likelihood that the national debt & deficit will be a concern, as many moderates have been removed from office
• Ideological differences between House Democrats and Senate Republicans, as well as the White House, and posturing for 2020 election
116th Congress-Legislative Gridlock

Ideological challenges: Progressive House vs. Conservative Senate.

1. Difficult to approve authorizing legislation, such as a reauthorization of the Higher Education Act
2. Different visions of government involvement in higher education.
   1. Dems: Increase resources into the existing federal higher education. Strengthen consumer protections.
   2. GOP: pull money out of the system. More market-oriented, with fewer consumer protections. Remove regulations. Arm consumers with data and let the market decide.
116th Congress-House Democrats

1. **House Democrats: Aim Higher Act**
   1. State-Federal Partnership to spur states to invest more in higher education. Make public two-year college free for all students. More limited than Senate Dems proposal.
   2. Boost Pell Grant funding, tie to inflation.
   3. Strengthen oversight of for-profit colleges.
   4. Simplify the FAFSA form.
   5. Keep student loan subsidies.
   6. Lifts ban on student-level data.
   7. Allows states to regulate student lenders.
116th Congress-Senate Republicans

1. **Senate Republicans**
   1. Historically opposed to state-federal partnerships and free college proposals.
   2. Weary of pumping more money into the system.
   3. Ease barriers to entry for new higher education providers, remove consumer safeguards.
   4. Simplify FAFSA
   5. Reduce the regulatory burden.
116th Congress-Areas of Commonality

Generic Consensus

1. Accreditation isn’t working
2. FAFSA needs to be simplified
3. There is a need for better data for consumers to make optimal choices.
4. Risk-sharing has promise to hold institutions accountable

However, there are differences in the details how to address these problems.
116th Congress-Oversight

House Democrats will investigate Trump Administration.

1. Trump Administration deregulatory agenda (gainful employment, borrower defense) and possible coordination with for-profit college officials.

2. Problems in student loan servicing.

3. Title IX and Civil Rights.
1. **Title IX**

**Betsy DeVos set to bolster rights of accused in rewrite of sexual assault rules**

- Proposed regulations from Secretary DeVos expected to be unveiled tomorrow.
- Comment period (60 days likely), government to review comments, and then published the regulations.
- Key changes expected: Only formal complaints can be investigated, only on-campus incidents can be investigated, cross-examination allowed, allow choice in evidentiary standards.
2. Distance Education

State authorization rules delayed until July 2020.

3. Borrower Defense to Repayment

Sec. DeVos put forth a plan to make it more difficult for students who were grossly misled into school to discharge their loans. Missed deadline, won’t be able to implement changes until July 2020.

4. Gainful Employment

Sec. DeVos has put forth draft regulations to scrap the Obama-era “Gainful Employment” rule. Replaced with expanded data from College Scorecard. No sanctions for low-performing institutions. Expected change in July 2020.
Negotiated Rulemaking

“Kitchen Sink” negotiated rulemaking issues include

1. How do we improve the state authorization regulations?
2. What is “regular and substantive interaction”
3. What is a “credit hour”
4. What are the roles of accreditors and institutions in the teach-out process?
5. What are the barriers to innovation and competition in institutional eligibility regulations and student assistance provisions?
6. How do we simplify and clarify the program requirements in TEACH Grants?

Subcommittees to address competency-based education and faith-based education participating in Title IV financial aid.

**Goal: complete by November 2019, implement July 2020**
International Students/Travel/Visas

– Decline in int’l enrollment of 6.6% last year, on top of 3.3 percent cut in the previous year. Losses from Saudi Arabia, Canada, Mexico.

– Factors: Greater competition internationally, growth in American tuition prices, scholarship cutbacks in some countries, nationalistic rhetoric, safety concerns

– Particularly harmful to regional public universities
Visa Restrictions

– New visa restrictions for Chinese students graduate students in certain fields: aviation, robotics, and advanced manufacturing

– These areas have been highlighted as key to Chinese growth, part of their national strategic plan

– Concerns over theft of sensitive information related to national security, as well as research projects with the private sector

– New crackdown on students who overstay their visas/not in compliance
VA Benefits

Veterans aren’t getting their GI Bill payments — because VA’s 50-year-old computer system broke

-Washington Post, November 15, 2018

- VA benefits IT systems has been unable to appropriately process benefits under new formulas. IT platform at VA is dated.
- House VA Committee meeting today
- Up to 450,000 veterans have been affected, getting incomplete benefits for schools
Resources

• AASSCU Federal Updates
• AASSCU EdLines (weekly state updates-opt in)
• AASSCU Daily Headlines (daily policy updates-opt-in)
• Subscription link: http://www.aascu.org/policy/publications/subscriptioform/
• Twitter: @aascupolicy
Resources

- AASCU Federal Updates

Subscription link:

http://www.aascu.org/policy/publications/subscriptionform/
Resources

• AASCU EdLines

Subscription link:

http://www.aascu.org/policy/publications/subscriptionform/
Resources

• AASCU Daily Headlines

Subscription link:

http://www.aascu.org/policy/publications/subscriptionform
Contact

Thomas L. Harnisch, AASCU
harnischt@aascu.org
Twitter: @aascupolicy