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Big Changes Coming (or Here) – A Time of Transition

Even though there has been no real movement on reauthorization of the Higher Education Act, it has been an action-packed fall in terms of announced changes that affect students and our member agencies. Those of you fortunate enough to have attended our recent conference in Washington heard first-hand the many new initiatives and leadership changes that will drive higher education policy until an eventual reauthorization and beyond.

Big FAFSA Changes Coming

For the 2016-17 Academic Year (AY), the changes are relatively minor, with institutions no longer receiving the list of schools the student provided on the FAFSA, so they will only know that they were on the list, but not in what order. While state grant agencies will still get the list in order for the 2016-17 AY, it is not clear we will receive that information in future years. If your state uses the school list order, you may want to consider raising concerns about this issue to the Department of Education and/or your Congressional delegation sooner rather than later. You may want to especially be aware that there are big changes coming for the 2017-18 AY FAFSA cycle, and state grant agencies will have their hands full implementing lots of changes.

These changes include implementation of Prior-Prior Year (PPY) data on the FAFSA and opening the FAFSA application cycle for the 2017-18 AY cycle on October 1, 2016, three months earlier than usual. While the implementation of PPY will be somewhat transparent for states that simply accept the federal Expected Family Contribution calculation, states may need to update their verification processes. The early start to the FAFSA application process, however, and how that may affect allocation of aid in 'first-come, first-served' states, will present more significant challenges for many states.

Federal Fiscal Year (FFY) 2016 and 2017 Budgets

The Bipartisan Budget Agreement of 2015 (BBA) sets overall funding levels for the 2016 and 2017 FFYs and raises the debt ceiling through March 15, 2017. Nevertheless, Congress will still need to pass an omnibus bill or a continuing resolution to fund the government for the remainder of FFY 2016 beyond the current funding deadline of December 11, 2015 (and again for FFY 2017), so there could still be battles over how the budget dollars are allocated or any riders attached to the funding bills. One of the key provisions of the BBA increased the spending caps by \$50 billion for FFY 2016 and \$30 billion for FFY 2017 when

compared with sequester levels. Of these amounts, half will be for defense and half for “non-defense discretionary” spending; the latter includes education, which is a subset of the Labor, Health, Human Services and Education appropriation, affectionately known as “Labor-H” in Washington. Within the Labor-H appropriation, the National Institutes of Health is likely to get a larger share of the overall allocation. Higher education advocates, at a minimum, are hoping to restore funding cuts lost to the sequester.

Reauthorization

As previously noted in this space, while multiple hearings continue to take place, and many “marker” bills are introduced, reauthorization of the Higher Education Act (HEA) will likely not move forward until an update to the Elementary and Secondary Education Act (ESEA) is enacted. While ESEA updates have passed both the House and the Senate, the bills are different and the next step is to take them to conference committee to reach agreement on final language. The Obama Administration has indicated it will veto the House version of the bill.

Once we get to reauthorization of HEA, Congress will take a closer look at the many marker bills that have been introduced. A marker bill is a way for a Senator or Representative to identify their priorities for reauthorization and to circulate legislative language for comment prior to negotiating language in the actual reauthorization bill. The bill will take shape through a (separate) ‘mark-up’ process in each authorizing committee, the Senate Health, Education, Labor & Pensions Committee and the House Education & Workforce Committee. Most likely, if/when bills pass the House and Senate, they will once again go to conference committee to agree on final language.

Because reauthorization of the HEA does not seem imminent, supporters of the Perkins loan program have been seeking an extension of the program. As of October 1st, future disbursements can only be made on existing loans and on future loans to students whose first Perkins loan was made in the 2014-15 AY, and only as long as they remain enrolled in the same institution and in the same program of study.

Leadership Changes

As you may have read in the news, there have been multiple changes in leadership that will directly or indirectly impact the higher education landscape.

Earlier this fall, US Department of Education (ED) Secretary Arne Duncan announced that he would retire and head back to Chicago to spend more time with his family. Many were surprised by this announcement, as he was the longest serving of the President’s Cabinet members and had previously stated his plan to remain through the end of the Administration. But when his family moved back to Chicago this fall, some expected that an announcement was imminent. Secretary Duncan will be replaced, on an acting basis, by John King.

According to an ED press release, "[John King](#) is currently Senior Advisor Delegated Duties of Deputy Secretary of Education, a position he assumed in January 2015. When the Secretary officially steps down, he will become Acting Secretary of Education. He laid out his remarkable personal story in a [Huffington Post article](#) a few years ago."

Other leadership changes include Speaker of the House John Boehner (R-OH) stepping down, to be replaced by Paul Ryan (R-WI), and Chairman John Kline (R-MN) of the House Education & Workforce Committee announced he will not seek re-election, so the Committee will have a new Chair in 2017 (although seniority rules would have called for a new Chair even if he ran for re-election). Many think Rep. Virginia Foxx (R-NC), who currently chairs the Higher Education & Workforce Training Subcommittee, is Kline's likely successor as Chair of the full Committee.

Finally, last but not least, there is the Presidential transition. While many in the country are already focused on the 2016 Presidential election, I am, of course, referring to the events at our recent conference. Stephanie Butler of the Alaska Commission on Postsecondary Education has succeeded Diane Lindeman of the Kansas Board of Regents as NASSGAP's President. Congratulations to Diane on a successful term, including getting many NASSGAP members invited to the White House in October, where Diane got a shout out from the First Lady's Chief of Staff. But Diane might be happier now because the Kansas City Royals won the World Series! Best of luck to Stephanie as she begins her term!