



NASSGAP

Federal Relations Update

October 22, 2015

Developments in DC



- ❖ Changes for Academic Year 2015-16
- ❖ Federal Fiscal Year 2016 Budget
- ❖ Higher Education Act (HEA)
Reauthorization
- ❖ Leadership Changes

Changes for AY 2015-16



- ❖ Maximum Pell Grant Increases by \$45 to \$5775
- ❖ Federal Direct Loan Interest Rates Drop a Bit – 0.37%
- ❖ Perkins – Authorized for 2015-16 if First Disbursed before October 1

AY15-16 Changes - FDLP Loan Rates Drop



Loan Program	10 Yr T-Note +	Rate for 2015-16 AY	Rate for 2014-15 AY
Undergraduate Stafford – Sub and Unsub	2.05%	4.29%	4.66%
Graduate Stafford	3.6%	5.84%	6.21%
Grad and Parent PLUS	4.6%	6.84%	7.21%

Perkins Loan Update



- ❖ Perkins loan recipients in AY2014-15 & prior eligible for future Perkins loans
 - Must remain at same institution
 - Must remain in same 'program of study'

- ❖ Program extension dependent on a 'pay for' to cover \$500 million cost

- ❖ One-year extension passed the House, but not the Senate

Federal Fiscal Year 2016 Budget



- ❖ President's Budget – generally level funding with targeted investments
- ❖ House and Senate budgets – major cuts to non-defense spending
- ❖ Continuing Resolution enacted funding FFY16 budget through December 11

HEA Reauthorization



- ❖ Elementary and Secondary Education Act (ESEA) is first priority
 - House and Senate both passed ESEA bills
 - Next step: conference committee
 - President threatens veto of House version
- ❖ Comparative HEA Approaches –
Senate’s comprehensive bill or
House’s multiple smaller bills
- ❖ Areas of Potential Consensus

HEA Reauthorization - Other Proposals And ED Update

❖ Prior-Prior Year Coming Next Year

- Effective for 2017-18 AY
- FAFSA filing begins 10/1/16, not 1/1/17
- Estimated budget cost: \$400 million for first year

❖ College Scorecard

❖ FAFSA School List Order



Changes in Leadership

❖ ED Secretary Duncan Resigns

❖ Chairman Kline Retiring

❖ Speaker Boehner Steps Down

Next Steps in DC



- ❖ Resolve FFY 16 Budget and Debt Ceiling – Soon?
- ❖ HEA Reauthorization – Mark-ups and Markers
- ❖ Questions?