



Washington DC Update

Can Anyone Here Play
This Game?

Scott E. Miller
PHEAA
smiller1@pheaa.org
March/April 2016

Today's Lineup

- Last Season's Highlights
- The New Season is Coming
- The Batting Order of Issues
- The World Series of Weird (AKA: The Election)



Recapping Last Season

- Bipartisan Budget Act of 2015
 - Allowed government to stay open past December 2015
 - Provided \$80 billion in extra spending over two years – split between domestic and defense programs
 - Provided relief from Sequestration spending reductions
 - Delayed debt ceiling enforcement until March 2017
 - Passed with Democrat votes
 - Cost Speaker Boehner his job

Consolidated Appropriations Act, 2016

- Funds Federal Programs Through September 30, 2016
- Set FY 2016 Spending Levels:
 - Maximum Pell Grant = \$5,815 for 2017-18
(up from \$5,775)
 - SEOG = \$733.1 million (no change)
 - FWS = \$989.7 million (no change)
 - TRIO = \$900 million (up 7%)
 - GEAR UP = \$322.7 million (up 7%)

Department of Education At the Bat

- Prior Prior Year
 - No offsetting cuts
- REPAYE Loan Repayment Plan
 - No offsetting cuts
- Defense Against Repayment
 - Negotiated Rulemaking ends without consensus
 - Alyssa Dobson at the table
- Secretary John King, Jr.
 - Approved by U.S. Senate on March 14th

Appropriations

- Off to a Rocky Start
 - Budget Resolution delayed
 - Freedom Caucus objects in House
 - Democrats won't support
 - House-Senate agreement unlikely
- Continuing Resolution is Probable
 - Government shut down threat possible
- Action Likely to Be Put Off Until After The Election

What's On Deck?

- Limited Congressional Action
 - Presidential campaign always dampens appetite for legislating
 - Every Student Succeeds Act (ESSA) completed
 - Congressional approval rating is 13⁰%
- Shortened Calendar
 - Summer recess begins July 15
 - Earlier party conventions
 - Summer Olympics
 - Lame Duck session could be productive time

It's Still Spring Training for Reauthorization

“We are attempting to see what we can get done in the timeframe we have in a bipartisan manner.”

Senior Education Committee Staff

- Mini/Micro Reauthorization Possible
 - Small bills addressing limited issues
 - Regulatory relief?
 - Enhanced loan counseling?
 - Making Prior-Prior Year permanent?
 - FASFA simplification?
 - Removing drug-related questions (Sen. Casey)

“In the Red” Act

- Introduced by 30 Senate Democrats (including Sen. Casey)
- Allow Refinancing for Eligible Direct, FFEL, & Private Loans to Current Direct Loan Interest Rates
- Index Pell Grant Maximum to Inflation
 - \$1,300 increase by 2026-27
- Reduce the Cost of First Two Years of College
 - Federal & State funding required
 - Community colleges must adopt evidence-based reforms and practices

Competing for the Starting Lineup

- Issues that Deserve Attention
 - FAFSA simplification
 - How many questions?
 - What is the tolerance for error?
 - What will be the cost?
 - Prior-Prior nuances
 - Does it need tweaking?
 - Coordination with Pell award schedule?
 - Pell Grants
 - Summer Pell
 - Incentives for completion
 - President proposes \$300 annual bonus for recipients taking 15 credits per semester
 - Advance funding to synch with PPY?

Middle of the Issues Order

- 150% rule
 - Issues with borrowers who go back for more schooling
 - Should exceptions be authorized?
- Repayment simplification
 - Fewer repayment plans
 - One IDR option
 - What is standard plan?
 - For everyone, or just for new borrowers?
- Multi-year tax download for IDR
 - Too many borrowers confused by need for annual recertification of IDR
 - Borrower could authorize IRS to send tax data to servicers for 5(?) years

Further Down the Issues Lineup

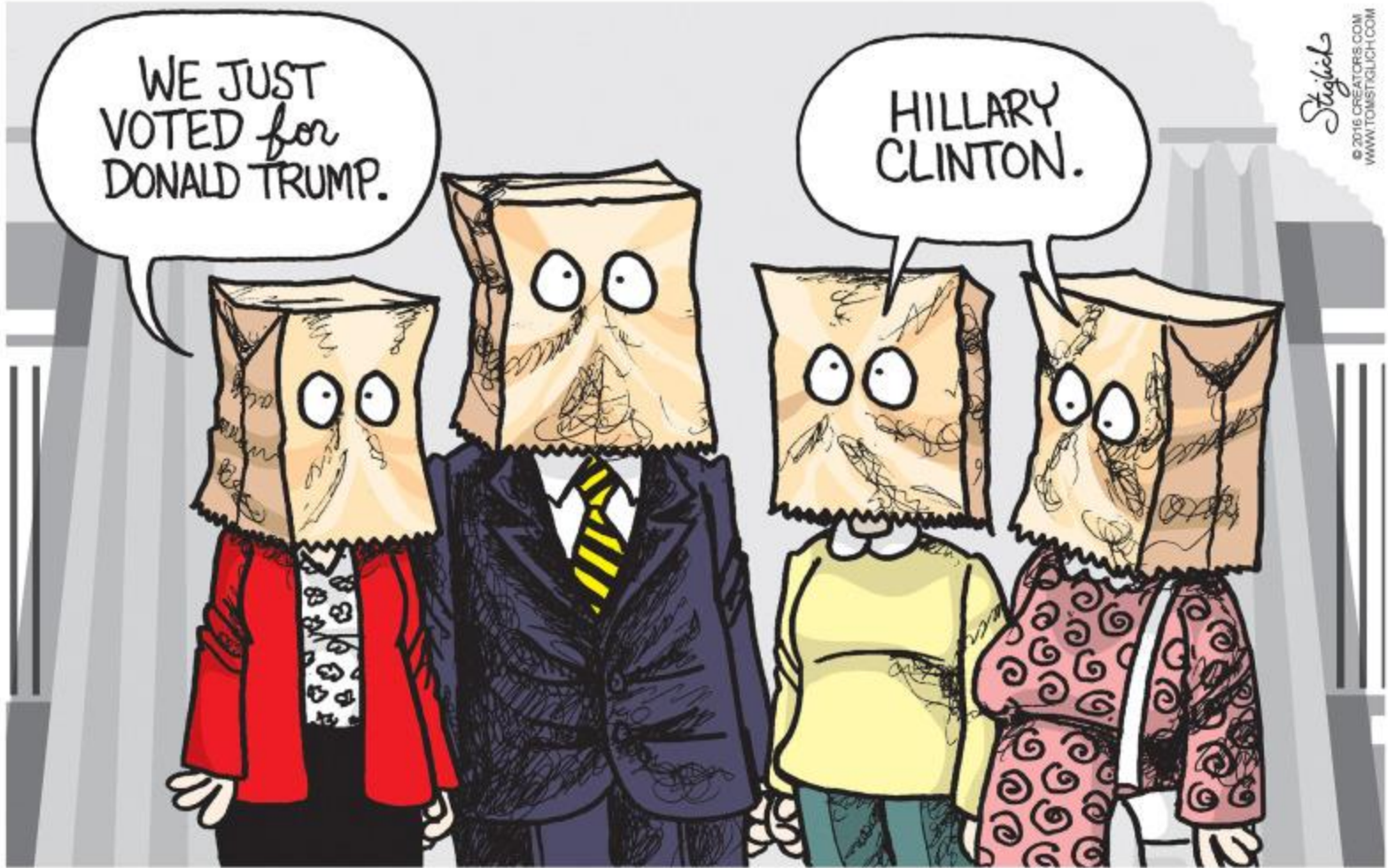
- Perkins
 - Extend beyond 2017?
 - Grandfather more students?
 - Relief from new packaging rules?
- SEOG
 - Can it be saved?
 - Doesn't fit one-loan, one-grant, one-work mantra
- Loan interest rates
 - Do they need to be revisited?
 - Variable, fixed, or variable fixed?
 - What will rates be like when reauthorization is considered?
- Loan Refinancing
 - Does it really help?
 - What loans would be eligible and which borrowers?

Remainder of the Issues Order

- Gainful Employment
 - Here to stay
 - How to limit administrative burden?
- Public Service Loan Forgiveness (PSLF)
 - Keep the program?
 - Modify eligible employers or forgiveness amounts?
 - President proposes to cap PSLF forgiveness
- Taxable nature of loan forgiveness
 - Most forgiveness is taxable
- FAFSA school masking
 - Order of school selection by FAFSA filers will be hidden
 - Unintended consequences for state grant agencies

WE JUST
VOTED *for*
DONALD TRUMP.

HILLARY
CLINTON.



Will The Primary Season Go Into Extra Innings?

- Can Anything Derail the Inevitable?
- Not So Super Tuesday is Coming, April 26
 - Pennsylvania, Maryland, Connecticut, Delaware, Rhode Island
- It's All About the Delegates
 - 67% of Republican delegates & 59% of Democrat delegates selected by April 5
 - Magic numbers:
 - D: 2,386 out of 4,765
 - R: 1,237 out of 2,472
 - California and New Jersey vote on June 7

Will There Be a Call to the Bullpen?

- What is an Open Convention?
 - No candidate has a majority of pledged delegates
 - No majority on first ballot
 - Delegates can be released for subsequent ballots
 - Convention voting continues until a candidate receives a majority
 - Backroom deals, cigar-filled rooms, party bosses?
 - Populist revolt?
 - Acceptance of outcome?

Free Agent Status

- Percent of Unbound Republican Delegates Depends on State Party Rules
 - 5% unbound for first ballot (mostly “super delegates”)
 - 168 Republican super delegates (714 D)
 - 57% unbound for second ballot
 - 81% unbound for third ballot

Open Convention Hall of Fame

- Some History:
 - Ted Kennedy tried to change convention rules to release all delegates before the first ballot in 1980
 - Gerald Ford did not have a majority going into the 1976 convention, but defeated Ronald Reagan on the first ballot
 - Last winner of a multi-ballot convention to win Presidency was FDR in 1932
 - In 1924, Democrats cast 103 ballots to nominate John W. Davis
 - In 1912, Woodrow Wilson lost the first ballot, but won on the 46th ballot

Moving on to the “Minor Leagues”

- Senate is Up for Grabs
 - Democrats must gain at least 4 seats (and the Presidency)
 - Republicans vulnerable: NH, WI, FL, AZ, IL, OH, PA
 - Democrats vulnerable: CO, NV
- Pennsylvania Polls
 - Sen. Pat Toomey (R) over Joe Sestak (D): +5 (43-38)
 - Sen. Pat Toomey (R) over Katie McGinty (D): +13 (47-34)
 - Sen. Pat Toomey (R) over John Fetterman (D): +18 (49-31)
- Changes in House of Representatives Limited Due to Gerrymandered (Homogenized) Districts
 - Democrats could pick up a dozen seats

Bottom of the Ninth...

- Short-term Outlook for Higher Education is Stable, in General
 - Last minute ED actions could still be coming
 - Lame duck session could be active
- PASFAA's GRC Continues to Advocate
 - Priority issues need to be identified
 - PA Congressional delegation and education committees need to hear your message
- Buckle Up for a Continued Wild Political Season
 - It ain't over 'til its over!

Washington DC Update

Can Anyone Here Play
This Game?