

# VASFAA Midyear Government Relations Report – Federal

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- **House**

Democrat 234 – Republican 199 (3 undecided / net change 39)

- **Senate**

Republican\* 53 – Democrat 47 (net change 3)

\*2 Independents caucus with Democrats

- **Governors**

Republican 27 – Democratic 23 (net change 6)

## **Notes**

- Democrats showed major gains in district elections, while state-wide elections resulted in a midterm split decision – only the 5<sup>th</sup> time since 1950
- Moderates in both parties suffer losses
- 2018 House winners will be difficult to defeat in 2020
- 2020 Presidential election campaigns start

## **Voter Priorities from 2018 Exit Polls**

- Healthcare availability/affordability
- Immigration reform
- Economic growth
- Resolution of trade disagreements
- Strengthening infrastructure

**Notes:** While higher education access and affordability were campaign issues, they did not reach priority status in exit polls.

## Bipartisan Faster Access to Federal Student Aid (FAFSA) Act, introduced in the Senate in November 2018

- Allows for direct cross-agency sharing between IRS and ED
  - All items currently brought over from the DRT
  - The applicant's filing status
- Addresses burden associated with verification, including verification of non-filing
- Permits ED, with applicant's consent, to share tax return information related to the application, award, and administration of aid with allowable entities (institutions of higher education, state grant agencies, etc.)
- Permits sharing of taxpayer information between ED and IRS related to IDR and TPD
- Reduce/eliminate Federal Student Aid overpayments

- Ability to pass—but not block—legislation
- Oversight hearings compete with legislative matters
- Compromise for common good
- Senate continues judicial confirmations
- Budget/Appropriations continue as primary legislative vehicles
- Increase of “Message” bills

- 2018 Midterms: Democrats gain control of the House, Republicans maintain control of the Senate
- Incoming committee leadership in the House:
  - Committee on Education and the Workforce
    - Chair: Representative Bobby Scott (D-VA)
    - Ranking Member: Representative Virginia Foxx (R-NC)
  - Committee on Appropriations
    - Chair: Representative Nita Lowey (D-NY)
- Democratic House majority will likely mean increased oversight of ED
- Feasibility of a bipartisan HEA reauthorization remains unclear
- Anticipated education committee oversight hearings
  - Gainful Employment
  - Borrower Defense
  - Improving Campus Safety/Title IX

- Aim Higher Act – foundation for House HEA deliberations
- Substantially increases federal investment in student aid
  - Pell Grant–Increases maximum award by \$500; permanently indexes to inflation; increases mandatory funding share to 60%
  - Maintains all current programs, increases funding for many of them
- Includes positive attempts to streamline
  - FAFSA simplification, elimination of origination fees, streamlines repayment options
- Maintains and strengthens accountability standards for certain institutions
  - Maintains gainful employment provision
  - Changes 90/10 rule to 85/15

- Senate Health Committee on Health Education Labor Pensions
  - Chair: Senator Lamar Alexander (R-TN) – term limited
  - Ranking Member: Senator Patty Murray (D-WA)
- Committee Higher Education Legislative Priorities
- Higher Education Act
  - Simplification and streamlining process and programs
  - Affordability and student debt
  - Accountability and transparency
  - Access and success
  - Protecting student safety and rights
- Anticipated Committee Oversight Hearings
  - None at this time

- Empowerment of all federal agencies to advance administrative priorities
- Sub-regulatory guidance increases
- Set foundation for 2020 presidential election
- Agency leadership begin to depart in early 2019

- Topics for rulemaking sessions planned for early 2019:
  - Accreditation
  - State authorization
  - Definition of credit hour
  - Teach-outs
  - Barriers to innovation, competition, or completion, graduation, or employment
  - Direct assessment/Competency-based education
  - TEACH Grant
  - Faith-based entities

## **States**

- Take lead on public policy development
- States become more important in national elections

## **Advocacy Groups**

- All types of advocacy groups gain primary role as motivators of political bases
- There is never too much to spend on campaigns

## **Notes**

- For third consecutive election cycle, healthcare turns out electorate
- Both party “middles” continue to erode; single-party rule proves ineffective
- Increased influence of interest groups and social media

- Increased risks resulting from differing regulations between states and the federal government
- Moody's Analytics and Fitch Ratings issued negative outlook for the higher education sector
- Potential for differing regulatory frameworks
- Courts could become arbitrator in policy/regulatory disputes
- State policymakers gain prominence
- NASFAA, regional, and state financial aid associations become more important to help navigate uncertainties

- Continued Congressional Gridlock
- Increased ED Sub-Regulatory Guidance
- Greater School Accountability

**Questions?**