GOVERNMENT RELATIONS
ACADEMY QUICK TAKES

NAICU Annual Meeting
January 30, 2012
FY 2013 Budget Outlook

- President’s budget expected Feb. 13
  - FY13 cap set in BCA at $1.047 trillion

- Spring appropriations subcommittee mark ups

- Scheduled Lame Duck Session:
  - Final appropriations
  - Expiring tax provisions
  - New deficit reduction deal? (lose sequestration?)
FY13 Student Aid Funding Issues

- Pell: cover funding gap in FY13, but program needs overhaul for long-term stability

- Campus-based: keep FWS and SEOG strong; ask for LEAP; what happens with Perkins Loans?

- Student Loans: interest rate increases July 1
Pell Grant – Awards
Academic Year 2012-2013

- $35 billion program
- 9.4 million recipients
- Pell Grant Maximum maintained at $5,550
- Eligibility changes and student loan benefit cut to pay for increased costs
Pell Grant Funding 1999 – 2012
(in billions)

U. S. Department of Education Budget
Student Aid Eligibility Changes

1. No “ability to benefit” eligibility

2. Auto-zero EFC lowered from $30,000 to $23,000

3. Pell lifetime limit reduced from 9 to 6 years (18/12 FT semesters)

4. No minimum Pell ($555) for students eligible for less than 10% of maximum
Loss of Grace Period Interest Subsidy

- Chipping away at student loan benefits
- Applies to subsidized loans ONLY during 6-month grace period
- Applies ONLY to new Federal Direct Stafford Loans
- Applies ONLY to loans made on or after July 1, 2012 and before July 1, 2014
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<tr>
<th>Expired on December 31, 2011</th>
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<tr>
<td>IRA Charitable Rollover</td>
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<td>Tuition Deduction</td>
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<td>Improvements to SLID</td>
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<td>Improvements to Coverdell ESAs</td>
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Teacher Preparation and Accountability Issues

Administration: using the regulatory process
- Changes to state report cards
- Set standards for state assessments
- Define “high quality teacher preparation program”
- Information collection to link clinical practices to student achievement
- “Attract, prepare, support and reward great teachers to help students learn.”
Teacher Preparation and Accountability Issues

- Congress: ESEA reauthorization not bipartisan

- Senate committee passed “bipartisan” bill, but not ready for floor battle
  - Program consolidations; Bennett amendment

- House committee bills moving this spring
  - Eliminates TQP but keeps report cards; promotes state and local flexibility