FY 2014 Final Budget Stops the Bleeding from Sequestration

Following a holiday break spent reconciling 12 different bills, Congress sent a $1.1 trillion omnibus spending package to the president for signature on Thursday, January 16. The measure restores sequestration cuts for all student aid programs, and funds Pell Grants for its scheduled increase to $5,730.

Overall for the Department of Education, the bill provides $67 billion in discretionary spending, which is a $1.6 billion increase over FY 2013 sequester cuts. Restoration of program cuts is a mixed bag across education programs, but student aid fared well, with $144 million restored. This is the first full Labor-HHS-Education bill passed in 2 years; programs have otherwise been funded on continuing resolutions.

With overwhelming bipartisan support, both chambers moved quickly to pass the bill: the House vote was 359 to 67; the Senate vote was 72 to 26. The bill, which President Obama has pledged to sign, is a welcomed resolution to the budget battles that have put federal student aid funds at risk the past few years.

**Highlights of FY 2014 Budget**

- The Pell Grant maximum award is increased by $85, as scheduled, to $5,730 (from the current level of $5,645), for the upcoming academic year. Discretionary funding for Pell is $22.8 billion.
- SEOG is funded at $733 million.
- Federal Work Study is funded at $975 million (and work college funding was increased by $2.4 million).
- TRIO is funded at $838 million.
- GEAR UP is funded at $302 million.
- Funding is restored to Title III and Title V minority-serving institutions.
- The administration’s First in the World grants to support innovative approaches to college affordability and completion is funded at $75 million.
- National Institutes of Health received a $1 billion increase in funding.
- The sequester cut to Teacher Quality Partnership Grants was not restored, so funding remains at $40 million.

The bill does not include the $1 billion administration request for the Race to the Top College Affordability proposal. With the pending Higher Education Act reauthorization, and the public response to the administration’s college rating proposal, the Appropriations Committee decided not to wade into higher education reform in a spending bill.

Two higher education studies are also included in the bill. For the first, $1 million is provided to fund a study by the National Academy of Sciences, originally authorized in the 2008 Higher Education Act reauthorization, to research the effect of federal reporting requirements and regulations on colleges. The second is a requirement that the Department of Education conduct a study on enrollment, graduation and default rates for Pell Grant recipients; and make its first report to the committees in May of this year. This study follows up on the Department’s March 2012 announcement to improve the evaluation of the Pell Grant program in the National Student Loan Data System (NSLDS). While the language addresses the need to minimize institutional burden,
many changes will likely be needed to appropriately address the institutional collection and reporting of data and the NSLDS analysis of that information. The inclusion of these studies is not a surprise, as we have heard the themes of accountability, affordability and completion during multiple congressional hearings on the reauthorization of the Higher Education Act.

**What’s Next?**

Now that the FY 2014 budget battle is over, it will soon be time to begin the FY 2015 process. We already know that the release of the president’s budget (usually the first Monday in February) will be delayed until mid-March because of the late finish of the FY 2014 process. While Congress does not need to write a budget resolution this year, House Budget Committee Chairman Paul Ryan (R-WI) is expected to propose a budget anyway to develop a long-term outlook. Senate Budget Committee Chairman Patty Murray (D-WA) is not planning to develop a budget this year because the provisions included in the December budget deal already set the spending levels for FY 2015.

Before they can do any work on FY 2015, the Appropriations Committees will need to wait for the president’s budget to be released, hold hearings with administration officials, and receive the Congressional Budget Office scoring of the president’s request. They know going in, however, that total funding for FY 2015 is the same as this final FY 2014 spending bill. How that gets divvied up will be decided during the spring and summer, before hitting an early recess for the 2014 campaign season.

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**White House Summit on College Opportunity—A New Beginning?**

The White House Summit on College Opportunity created buzz at the highest levels in Washington and beyond January 16, as more than 140 college presidents, philanthropists and business leaders were asked to an exclusive White House conversation featuring the President and First Lady. The focus of the meeting was how to increase college attainment among low-income students, while acquiring and promoting commitments for new programmatic efforts from colleges and others groups.

The 140 commitments were focused in four areas:

- Connecting more low-income students to the college that is right for them and ensuring that more students graduate (80 colleges and 15 organizations).
- Increasing the pool of students preparing for college through early intervention efforts (30 colleges and 12 organizations).
- Leveling the playing field in college advising and test preparation (20 colleges and 16 organizations).
- Seeking breakthroughs in remedial education (20 colleges, 23 states, and 10 organizations).

The most striking aspect of the summit was the collaborative tone of the morning conversation. After a contentious fall, following the announcement in August that the Administration was going to create a rating system for colleges, the tone of the White House conversation was very different. Administration officials and others praised colleges for their past efforts with low-income students, and their continued efforts to educate students with a wide array of challenges, while asking them to think together on how even more could be accomplished. The afternoon was more mundane, highlighting many of the education reform foundations that have been dominating the Washington policy conversation for the past several years, and are more detached from many of the on-going efforts on college campuses.

While it is unclear how the White House developed its invitation list, it was clear college leaders that accepted the invitation to the summit were to pledge additional, specific concrete steps they would take to increase or support low-income students on campus. The summit was originally scheduled with less than a week’s notice in December but later postponed to January 16 because of the state funeral for Nelson Mandela. The White House released a fact sheet and the list of the pledges made by conference attendees: Commitments to Action on
Indeed, some of the criticism of the White House event came from those institutions that were not invited, including a number of institutions that are already successfully serving high proportions of low-income students. The White House seemed aware of the concern as officials, including both the President and First Lady, promised to reach out to more institutions in the weeks and months ahead.

Nearly 60 NAICU members attended the event and many of their institutional pledges were included in a compendium released by the White House. The Summit ended with a request from the White House that participants e-mail the summit organizers within 10-12 days with ideas on next steps, including any convening role a participant might want to undertake with others who were not included.

NAICU President David Warren also attended the summit. In a statement released at the end of the event, he said: “We are proud of the more than 60 private, nonprofit institutions which today announced new access and completion initiatives. We are equally proud of the work done on a daily basis by the hundreds of private colleges working every day to help students achieve their educational goals.”

Although the pledge does not appear in the program summary, NAICU has committed to help the White House disseminate the ideas coming from both the field and from conference attendees. The new pledges announced at the Summit will be added to the list of programs catalogued in the Building Blocks to 2020 initiative.

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VAWA Negotiated Rulemaking Process Begins

The first of three scheduled negotiated rulemaking sessions dealing with the changes made to the Clery Act campus safety requirements by the Violence Against Women Act (VAWA) was held on January 13-14.

This initial session was largely devoted to preliminary discussions of the issues that need to be addressed in the regulations. In general, negotiators expressed a strong interest in bringing clarity and consistency to regulations governing campus safety issues.

Five background papers guided the discussion in the areas of: (1) Key Terms and Definitions; (2) Counting Crimes; (3) Disciplinary Proceedings; (4) Applicable Jurisdiction; and (5) Technical Changes. All documents related to this rulemaking are available here.

The negotiators plan to establish two subcommittees to examine in greater depth issues related to training and to stalking. These groups will present information to the full panel prior to the group’s next session, which will be held on February 24-25.

NAICU’s nominee, Dickinson College (PA) General Counsel Dana Scaduto, is a member of the panel.

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