

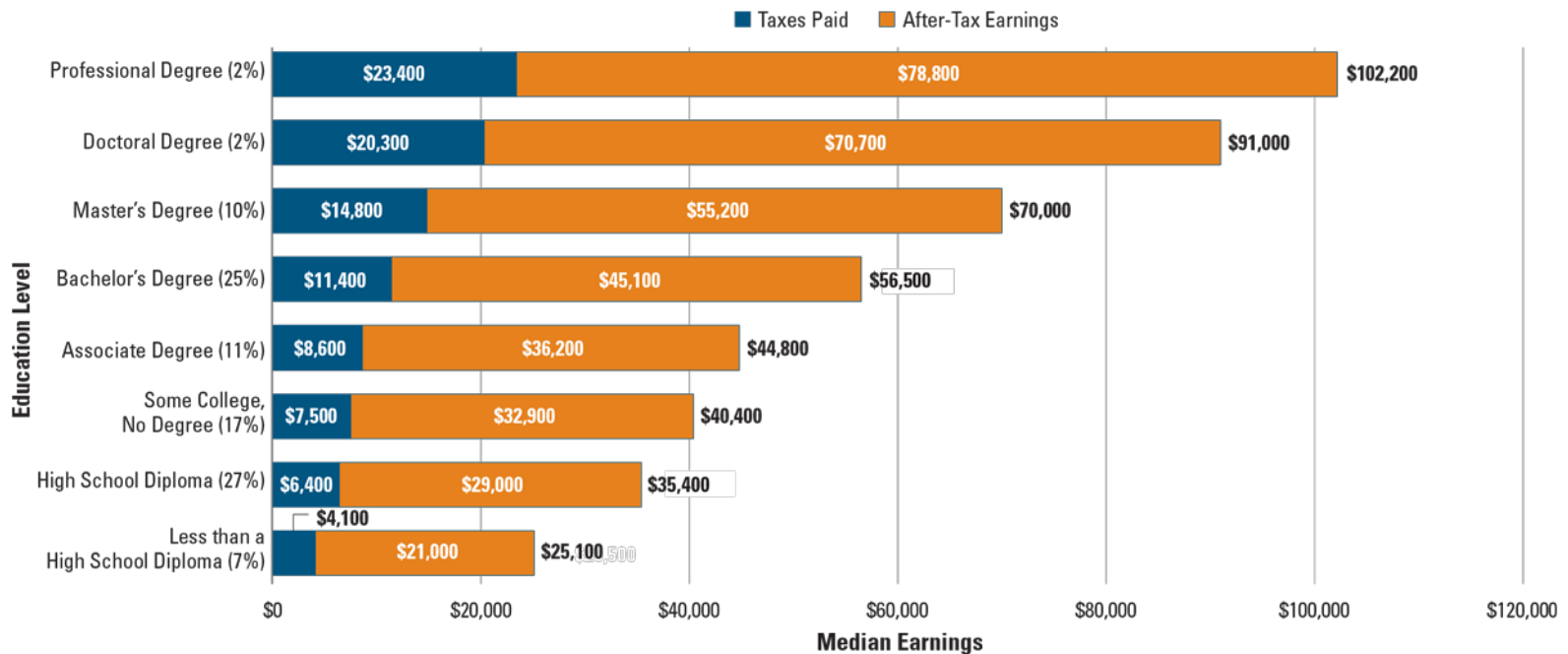
NACUBO Fall Update



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Median Earnings and Tax Payments of Full-Time Year-Round Workers Ages 25 and Older, by Education Level, 2011



SOURCES: U.S. Census Bureau, 2012, Table PINC-03; Internal Revenue Service, 2010; Davis et al., 2013; calculations by the authors.

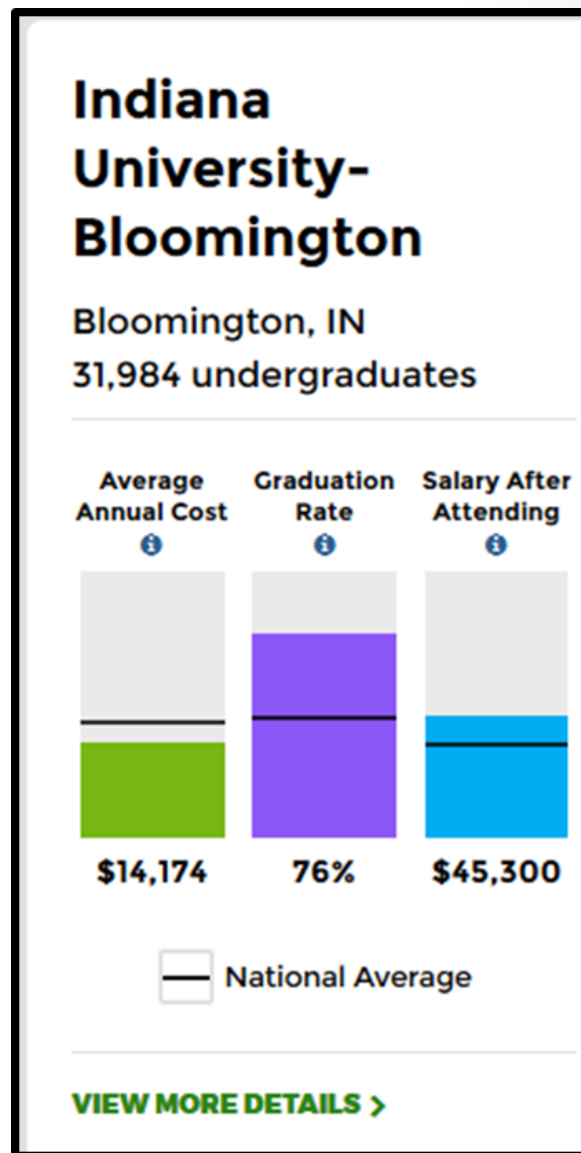


Syracuse, NY, August 22, 2013, At Henninger High School, President Obama discusses his plan to make college more affordable, tackle rising costs, and improve value for students and their families.

Source: www.whitehouse.gov

College Scorecard

- **Average Annual Cost**
- **Graduation Rate**
- **Salary After Attending**



The months ahead...

- **Budget Deal**
 - **Budget Caps**
- **Highway Bill**
- **Debt Ceiling**
- **Tax Extenders**



FY16 Appropriations

- **FY 2016 appropriations may simply be left at FY15 levels (a year-long CR). However, if there is an overarching budget deal, appropriations may have the opportunity to adjust funds for individual budget lines.**
- **Both House and Senate appropriators are calling for a Pell Grant maximum award: \$5,915**
- **In spite of the constraints on discretionary spending, appropriators have slated some FY16 gains to federal R&D.**
- **Defense R&D is not as constrained as nondefense.**
- **A “budget deal” could boost funding across-the-board.**

HEA Reauthorization



**Ideas in
play**

- **Deregulation**
- **Simplification**
- **Accountability**

Sen. Alexander's HEA Priorities



Deregulation

- Based upon the findings of the Task Force on Federal Regulation of Higher Education



Simplification

- Student Aid “short-form”
- Year-round Pell
- Discourage over-borrowing
- Simplify repayment



Accountability

- “Risk-Sharing” would require institutions to assume a liability based on students' repayment rates

Whither Perkins Loans?

- **In order for the Perkins Program to continue beyond the 2015-16 award year, Congress was required to reauthorize the program or extend the September 30, 2015 sunset date.**
- **Sen. Lamar Alexander: Perkins Loans “outdated and unnecessary”**
- **Sen. Tammy Baldwin: Failure to extend Perkins Loans “a perfect example of why the American people are so upset with Washington”**

Endowments Under Scrutiny:

“Why not spend more to support student aid?”

- **Such calls occur because people see endowment values rising at the same time as college sticker prices increase.**
- **Institutions and others need to communicate:**
 1. **How endowments are designed to work**
 2. **How much spending already comes from endowments**
 3. **Restrictions that are placed on how endowment funds can be spent**

NACUBO Fall Legislative Concerns

- **Maintain the scheduled maximum Pell Grant award of \$5,915**
- **HEA Reauthorization**
 - **Deregulation**
 - **Accountability**
- **Tax Policy**
 - **Higher education tax benefits**
 - **Charitable support**
 - **Charitable deduction**
 - **College and university endowments**
 - **Tax-exempt bond financing**
 - **Tax Extenders**
 - **Reinstate the IRA charitable rollover**
 - **Support extension of Section 179D**

Institutions continually invest in and seek to improve student success, putting “skin in the game.” NACUBO is wary of so-called “risk-sharing” proposals that could potentially limit access, increase costs, or reduce services and educational offerings.



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