NACUBO Fall Update

John Walda
NACUBO
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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.

For detailed data, see: trends.collegeboard.org.
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 Lamar Alexander: Perkins Loans “outdated and unnecessary”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.
John Walda
202.861.2500
jwalda@nacubo.org

@nacubo