Higher Education Act (HEA)

The National College Access Network produced a good chart on the different Higher Education Act proposals, including the Senate's FAST Act proposal. The SUNY Office of Relations produced the attached analysis of the various HEA proposals.

Higher Education Tax Issues

The House passed a package of tax bills sponsored by Rep. Tom Reed (R-NY), titled H.R. 4719, Fighting Hunger Incentive Act of 2014. The bill included a provision that permanently extended the IRA Charitable Rollover, which allows individuals age 70 and older to donate up to $100,000 from their IRAs and Roth IRAs to charities without having to count the distributions as taxable income. The IRA provision has proven to be a valuable incentive to generate donations to institutions. ACE sent a letter in support of the bill.

Senate Democrats are likely to oppose the bill without a source of revenue to cover its cost — an estimated $16 billion. The White House also has issued a veto threat opposing the measure over cost.

The House is expected next week to consider the H.R. 3393, the Student and Family Tax Simplification Act. The Ways and Means Committee approved the bill by a party-line vote of 22-13 on June 25. The Joint Committee on Taxation estimated that the bill, which doesn’t contain offsets, would cost $96.5 billion over 10 years. While the legislation was significantly improved in mark-up and contains many favorable provisions, several associations still have significant concerns about the bill’s impact on graduate and non-traditional students.

Dynamic Student Loan Repayment Act

Senators Marco Rubio (R-FL) and Mark R. Warner (D-VA) introduced The Dynamic Student Loan Repayment Act. The bill consolidates federal student loan options (subsidized/ unsubsidized Stafford loans, and Grad PLUS loans) into a single loan repaid through a simplified income-based repayment system. Under the proposal, federal student loan payments would be automatically adjusted based upon income, with borrowers being able to repay loans at a more affordable pace and with more manageable payments.

A borrower’s obligation would be 10 percent of his or her income above the $10,000 exemption amount each year until the loan is repaid or the time limit is reached. The bill uses a paycheck deduction process so that borrowers pay the required percentage of income as they earn each dollar, eliminating the paperwork in the current process and ensuring payment amounts always reflect current income.