FY 2015 Appropriations

Congressional leaders are discussing plans to introduce a continuing resolution (CR) in early September. Discussions about a CR reflect the fact that there are relatively few legislative days remaining before members head back to campaign before Election Day.

For the fifth straight year none of the 12 annual spending bills will be approved by Congress before the October 1 deadline. The number of FY 2015 bills passed by House stands at seven, with five others reported by the House committee. In the Senate, none of the eight bills reported by the committee have passed the floor, including a “minibus” of three bills (H.R. 4660) that was pulled from the floor in June.

The election results will drive what happens next, if Republicans win the Senate, we can expect a CR through the new Congress. If the Democrats hold, they will push to package the unfinished bills into omnibus legislation similar to what they used to close out the FY 2014 appropriations process last January.

America COMPETES Reauthorization and the FIRST Act

Last week, the Senate Commerce, Science and Transportation Committee released a working draft of the America COMPETES Reauthorization Act of 2014. The draft strikes a much more supportive tone than the House version (H.R. 4186 the FIRST Act) which was approved by the House Science Committee in May 2014.

The Senate draft would seek a five-year authorization, allowing the National Science Foundation (NSF) to allocate funds across the agency’s six research directorates, and emphasizes the importance of social, behavioral and economic sciences research. The draft authorizes the NSF budget in FY 2015 at $7.65B, (6.5 percent increases over the next five years), totaling $9.9B in FY 2019.

In addition to strong proposed funding levels, the draft continues to use the “peers review” process—to judge the merit of proposed research. In contrast, the FIRST ACT would require NSF officials to certify that the grant to be awarded addresses an area of importance to the nation.

As for STEM education, both the Senate and House bills urge the Obama administration to do a better job of coordinating STEM education across the Federal government. They cite the value of having mission agencies like NASA, NOAA and NIST support STEM training and public outreach activities—stating concerns regarding the proposed STEM consolidation to designate NSF, the Department of Education, and the Smithsonian Institution as the three lead agencies for STEM education.
The Senate draft would also authorize the National Institute of Standards and Technology (NIST) budget in FY 2015 at $912.67M, (six percent increases over the next five years), totaling $1.18B in FY 2019. The Hollings Manufacturing Extension Partnership would be authorized at $141M in FY 2015, (4.3 percent increases over the next five years), totaling $171.38M in FY 2019.

On Tuesday July 22, the House passed its NIST reauthorization for FY 2015 at $855.8M including $130M for the Manufacturing Extension Partnership program consistent with the House-passed Commerce, Justice, Science Appropriations levels.

The Student and Family Tax Simplification Act

On Thursday July 24, the House approved H.R. 3393, the Student and Family Tax Simplification Act (Black-Davis) by a vote of 227-187. The bill consolidates the American Opportunity Tax Credit (AOTC), Lifetime Learning Credit, Hope Credit, and deduction for tuition and fees into a new, permanent, and inflation-indexed AOTC which is scheduled to expire at the end of 2017. Several associations opposed the bill, due to concerns about the impact on graduate and non-traditional students. The White House issued a statement of administration policy supporting making the AOTC permanent but opposing the bill because of the offset issues “because it is part of a broader effort to pass permanent, unpaid-for extensions of traditional tax extenders that, taken together, would add approximately $800 billion to the deficit.”

House Higher Education Act

The House approved several bipartisan bills this week, as part of an effort to reauthorize the Higher Education Act. The legislative proposals will support innovation, strengthen transparency, and enhance financial counseling. The (attached document) contains a more detailed analysis of the different bills reflecting a number of key principles guiding the reauthorization process.

- H.R. 3136, Advancing Competency-Based Education Demonstration Project Act — provides students new opportunities to receive a high-quality education in a way that best serves their personal and financial needs, through competency-based education demonstration projects
- H.R. 4983, Strengthening Transparency in Higher Education Act — would replace the “College Navigator” website with a new “College Dashboard” website that would display additional consumer information to assist students in their college search
- H.R. 4984, Empowering Students Through Enhanced Financial Counseling Act — increases financial counseling for students who take out federal loans or grants

Senate HELP Committee Hearing “The Role of States in Higher Education”

On Thursday July 24, the Senate’s Committee on Health, Education, Labor, and Pensions (HELP) held a hearing on “The Role of States in Higher Education.”
Both Chairman Harkin (D-IA), and Ranking Member Alexander (R-TN), agreed that states should take a leading role in paying for and overseeing public institutions. However, it was hard to find agreement on whether to focus on state funding for higher education, for-profit colleges or issues such as health care policy as senators and higher education experts considered how federal and state governments could work to reduce college costs. Chairman Harkin reiterated his view that state cuts to higher education during the recession, was the driving force behind increased college tuition costs. The solution, Harkin said, is to create incentives for states to increase their appropriations for higher education:

The recent Senate HEA draft laid out two proposals for state-federal partnerships. First, a new grant that awards annual block grants to eligible states to provide additional funding to public higher education to reduce tuition costs or mitigate tuition increases, and to increase enrollment of Pell Grant-eligible students. Second, a competitive grant system to improve higher education persistence and completion rates through comprehensive reforms in remediation reform, dual enrollment and early college high schools—such as shortening the length of time to a degree and promoting the use of technology.

While Senator Alexander pointed towards the rising Medicaid costs shrinking state support for higher education—he expects states to take the lead in paying for higher education—"Despite the more than $30-billion in federal dollars that go to students each year in grants, the federal government remains a minority investor in higher education." He also thought the federal government could help states and colleges by reducing regulations for federally backed research on campuses and could help families and students by simplifying the process to apply for federal financial aid.

The other Senators, including, Franken (D-MN), Isackson (R-GA), Warren (D-MA), Murphy (D-CT) and Murray (D-WA), shifted the topic away from the state’s role and toward the pervasive problem of student debt. Franken advocated for his net-price calculator, in order to better inform students of their options. Warren promoted her student loan refinancing bill. While Senator Murphy questioned the for-profit universities impact on students, especially when they graduate only 13% of the nation’s graduates, yet have 47% of defaults. Opening remarks and testimony can be seen here.