FY14 Budget

Hopes are growing the Budget Conference Committee could reach a small deal to replace a portion of the sequestration cuts. The changed dynamics are the result of several factors: fears among defense hawks of Pentagon cuts in FY14, desire of Republican leaders to avoid another disastrous shutdown fight and Democrats considering other revenue raisers besides tax increases.

Several proposals to replace one year of sequestration cuts — worth $110B — or something smaller have been discussed. One proposal gaining traction is easing the sequester by $40B equally divided between defense and domestic discretionary programs. The proposal would be paid for by targeted cuts and potential revenue raisers including increased Transportation Security Administration fees and money generated from wireless spectrum sales. While the outlines of an agreement are far from done, they could also include some mandatory savings, along with revenue — but no new taxes.

Defense spending is in line for about a $20B cut in FY14 with the next round of sequestration cuts kicking in January 15. Since the FY14 sequester is not an across-the-board cut, the Pentagon will have more flexibility in shifting resources. The general consensus is that the defense research accounts like 6.1 basic, 6.2 applied and Defense Advanced Research Projects Agency (DARPA) could take a bigger, disproportionate hit in an effort to protect accounts supporting troops and operations.

Any budget deal even clearing this low bar would represent a major breakthrough in the nonstop fiscal wars between President Obama and Republicans. House and Senate appropriators are putting major pressure on the budget conference to cut a deal setting overall spending levels, so they can write an omnibus appropriations bill for the rest of the fiscal year. If the Budget Committee fails to reach a deal by December 13, the House will then look to pass a continuing at the sequestration level of $967B.

President Obama’s College Value and Affordability and College Rating System

On behalf of the SUNY Board of Trustees and Chancellor Zimpher, Interim Provost and Vice Chancellor Elizabeth Bringsjord, submitted testimony in response to the Education Department’s call for comments on President Obama’s proposed college rating system. [Attached]

The Department will begin to compile testimony from the four forums as well as data from the federal government to incorporate into the final system. A potential draft model will be available for review and comments by Spring 2014. The proposed plan would create a new ranking system by 2015, measuring institutions on tuition costs, student debt, graduation rates and the percentage of low-income students enrolled.

Over the past few weeks, higher education associations are beginning to more clearly articulate their concerns about the Administration’s ratings plan. Public universities, have so far taken a less firm stance on the ratings system, but have been generally more supportive of the concept of linking student aid to
performance metrics in some cases. The Association of Public and Land-grant Universities (APLU) urged the Department to consider using the Student Achievement Measure, a voluntary data system that the group developed in partnership with five other higher education associations, as a model for better data. The measure accounts for a wider swath of students in tabulating graduation rates than the official federal graduation rate.

The limitation of the Department’s data has frequently been raised by institutions as a major concern as the Administration develops the system. In discussing the proposed plan, the American Association of Community Colleges (AACC) voiced their concerns but announced support for a student unit record data system that would be able to track students across institutions and into the workforce.