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# Higher Education Policy Update & Impact on Hispanic-Serving Institutions

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January 24, 2018

# Agenda

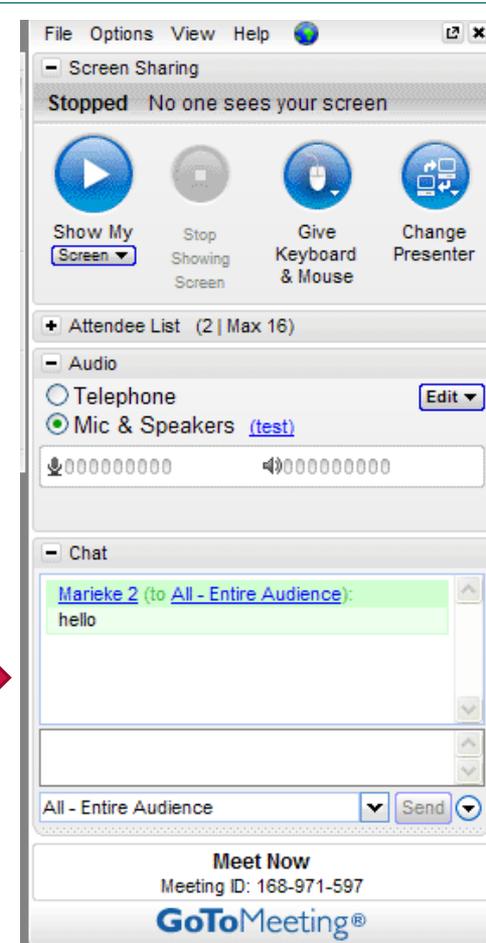
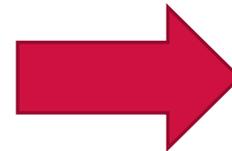
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- Federal Budget Update (FY2018 & FY2019)
- DACA/DREAMer Update
- National Science Foundation HSI Program
- Higher Education Act Reauthorization Efforts
- Tax Cuts Impact on Higher Ed
- 23<sup>rd</sup> Annual Capitol Forum
- November Midterm Elections



# Webinar: Q&A Process

- To ask questions expand the “chat” window of the Go To Webinar control panel.
- Select “send question to staff” from the drop down menu.
- Type your question or comment into the chat box.
- You can also ask questions via Twitter (@HACUDC).
- We will respond to questions throughout the webinar & at the end.
- This webinar will be recorded & available on [HACUadvocates.net](http://HACUadvocates.net) for viewing.



# Federal Budget Update – FY2018

- Federal Government shut down on Friday, Jan. 19<sup>th</sup> at midnight.
  - Trivia: Marks the 1<sup>st</sup> time there was a shutdown when a party controlled the House, Senate, & White House.
- Congress passed the **4<sup>th</sup> Continuing Resolution (CR)** that is set to expire on February 8, 2018.
- The expectation is more short-term CRs will be passed if a deal cannot be reached to fund the government for the remainder of FY2018.
- Budget Capps: DD vs. NDD.



# FY2018 Budget – HSI Funding

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- Department of Education

- Title V, Part A (Undergraduate): **\$107.8M**
- Title V, Part B (Graduate): **\$9.7M**
- Title III, Part F (STEM Articulation): **\$93.1M\***

\*Obligated funds first committed under the CCRAA of 2007 and extended by the HCR & ERA of 2010 through FY2019. Authority expires in FY2019.

- Department of Agriculture

- Hispanic Education Partnership Grants Program: **\$9.2M**

- National Science Foundation

- Improving Undergraduate STEM Education (HSI Program): **\$30M\***

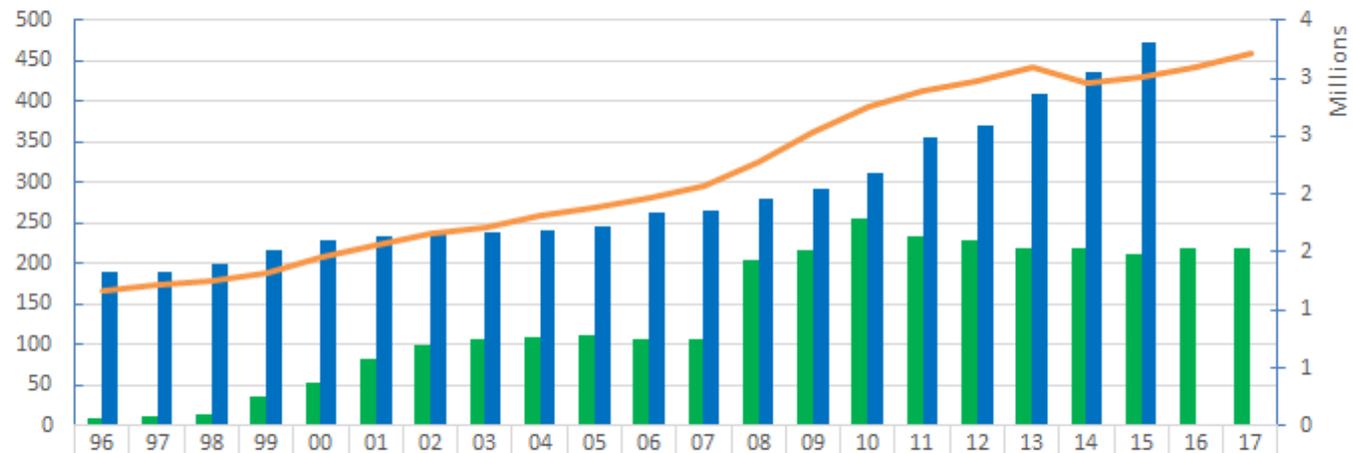
\*NSF carried over \$15M from FY2017. Expect \$15M in FY2019.



**HACU's View:** Level funding is a cut since HSIs are growing at an avg. rate of <30 institutions per year, yet federal funding has not kept pace.

# HSIs by the Numbers: '95 - '17

HSIs Funding vs. Numbers & Hispanic Enrollment (Actual and Projected)



Funding (in M)	11	12	14	37	54	84	100	107	111	112	107	205	217	255	234	230	219	220	211	220	220	
HSIs	191	190	200	216	229	234	237	238	242	245	264	266	280	293	311	356	370	409	435	472		
Hspnc Enroll (in Thousands)	1166	1218	1257	1324	1462	1561	1662	1716	1810	1882	1964	2076	2273	2537	2749	2893	2979	3091	2951	3013	3099	3208

Funding (in M)    HSIs    Hspnc Enroll (in Thousands)



# Federal Budget Update – FY2019

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- Finalizing FY2018, will run into creation of FY2019 request.
- FY 2019 begins: October 1, 2018.
- Normally, a president submits next year's budget request by no later than the first Monday in February.
- President's FY2019 request to Congress expected to be delayed and could reflect last year's "skinny" budget.
- Administration continues to work on new budget ('19) request to Congress before they know the final ('18) budget numbers.
- Unknown effect on how federal programs will run/be managed.
- Expect a CR into the lame-duck Congress after midterms.



# DACA/DREAMer Update

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# DACA/DREAMer Update

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- September 5, 2017: The Administration announced it would end the Deferred Action for Childhood Arrivals (DACA) program on March 5, 2018.
- January 8, 2018: U.S. District Court ordered the Administration to keep the DACA program in place.
- January 16, 2018: The Dept. of Justice appealed and challenged the U.S. District's Court decision that ordered the Administration to resume accepting DACA renewal applications.
- January 22, 2018: To end the government shutdown, Senate GOP leaders agreed to "immediately consider immigration legislation on the floor if no immigration agreement is reached by February 8."
- Our goal remains the same – we need the DREAM Act.



# National Science Foundation HSI Program

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- Request for Grant Proposals was published in December 2017
- Deadline for submissions is March 6, 2018
- Program has two tracks:
  - 1) Building Capacity - funds projects from \$500K to \$1.5M for up to 5 years.
  - 2) HSIs New to NSF- funds projects up to \$250K for 3 years & is open only to institutions that have never received NSF funding, or that have not received NSF funding in the past five years.
- The HSI Program will also fund one Resource Hub project up to \$3M for up to five years.
- For additional information visit NSF's HSI Program page: [https://www.nsf.gov/funding/pgm\\_summ.jsp?pims\\_id=505512](https://www.nsf.gov/funding/pgm_summ.jsp?pims_id=505512)



# NSF-HSI Program: Peer Reviewers Needed

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- NSF is looking for individuals to serve as peer reviewers for the HSI Program.
- To be considered send an e-mail to the NSF HSI program officers:
  - Dr. Talitha Washington: [twashing@nsf.gov](mailto:twashing@nsf.gov)
  - Dr. Andrea Johnson: [andjohns@nsf.gov](mailto:andjohns@nsf.gov)
- Checklist for consideration:
  - ✓ Introduce yourself.
  - ✓ Identify your areas of expertise.
  - ✓ Attach a 2-page CV with current contact information, and let them know that you are interested in becoming a peer reviewer.



# HEA Reauthorization Efforts

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# HEA Reauthorization Efforts

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- December 1, 2017: Chairwoman Virginia Foxx of the House Education & Workforce Committee, introduced H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act. The House GOPs effort to reauthorize HEA.
- December 13, 2017: H.R. 4508 passed by the committee on a party line vote. Not one Democrat voted for the bill.
- How does the bill impact HSIs?
  - Freezes authorization levels for all Title V related program for 5 years.
  - Imposes an arbitrary 25% completion (graduation) rate for HSIs & AANAPISIs grant eligibility.
  - Title III, Part F (STEM Articulation Program) authority not extended.



# HEA Reauthorization Efforts

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- The House bill (H.R. 4508) is expected to come to the floor for a vote, no earlier than late Feb. or early March, but it is not likely that it will gain support in the Senate as currently written.
- Sen. Lamar Alexander, Chairman of the Senate HELP Committee, has said reauthorizing the higher education law is a top priority for 2018.
- Chairman Alexander & Ranking Member Murray of the HELP Committee are expected to work in a bipartisan effort and craft their own HEA bill.
- A specific timeline has not been set, but the Senate HELP committee has begun to hold HEA related hearings.



# Tax Cuts Impact on Higher Ed

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# Tax Cuts Impact on Higher Ed

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## Tax Cuts and Jobs Act

- Consolidation of the American Opportunity Tax Credit, Lifetime Learning Credit, and Hope Scholarship Credit
- Repeal of student loan interest deduction.
- American Opportunity Tax Credit allowed for fifth year at 50% of prior value (40% for refundable portion)
- Valid SSN to claim AOTC required
- Subjecting name and logo royalties to UBIT.
- No new contributions to Coverdell savings accounts, though 529 accounts may receive Coverdell rollovers
- Up to \$10,000 annual 529 distributions for use in connection with public, private or religious elementary or secondary school, and 529 contributions for unborn children allowed
- Exclusions from taxable income for employer education assistance and qualified tuition reduction repealed
- Repeal of private activity bonds.
- Partial repeal of the Johnson amendment.



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# Tax Cuts Impact on Higher Ed

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- Excise Tax on Endowments - Imposes a 1.4% excise tax on the net investment income of colleges and universities with at least 500 students, with more than 50 percent of their student body in the US, and whose assets not used to carry out the educational mission are at least \$500,000 per student.
- Charitable Contribution Limit - Increases to 60% of adjusted gross income for the amount of cash that can be deducted annually as charitable contributions to public charities, including colleges and universities. This provision sunsets after 2025.
- Imposes a 21% excise tax on compensation over \$1 million paid by tax-exempt organizations to the five highest compensated employees and certain other employees.
- Requires UBIT be computed separately with respect to each separate business, so deductions from one business generally cannot offset income from another.
- Expands UBIT to tax certain fringe benefits provided to employees of tax-exempt organizations.
- Repeals the exclusion from income for interest on advance refunding bonds.
- Eliminates the 80% charitable deduction for amounts paid for the right to purchase tickets for athletic events.
- Eliminates the deduction for state and local taxes, except for a deduction up to \$10,000 for state and local property, income, or sales taxes.
- Excludes from income student debt that is discharged because of death or disability.



# November Midterm Elections

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- We will launch a webpage to help individuals register for the 2018 midterm elections.
- Enter your zip code and the Advocacy Center will provide the list of candidates, how to register, and your voting location.
- We encourage you to update your address if you have moved and to vote early!





# HACU 23<sup>RD</sup> ANNUAL NATIONAL CAPITOL FORUM ON HISPANIC HIGHER EDUCATION

Washington Marriott at Metro Center • Washington, D.C. • April 9-10, 2018

H I S P A N I C   A S S O C I A T I O N   O F   C O L L E G E S   A N D   U N I V E R S I T I E S

- Join us in DC for HACU's 23<sup>rd</sup> Annual Capitol Forum.
- Hear the latest on higher education topics:
  - HEA Reauthorization
  - Department of Education priorities
  - DACA/DREAMer Update
  - Building a pipeline to increase Hispanics in STEM
- Visit with your members of Congress and hear from the co-chairs of the Congressional HSI Caucus.



# Save the Date

- Next webinar: April 25, 2018



# HACU's "Wall of Pride"

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To add your institution, we encourage you to send us your school pennant to our DC office.

# Government Relations Team

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# Questions?

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