

# 2019 TASFAA Regional Training

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# Agenda

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- State Legislative Session
  - Main Bills
  - Budget Outlook
- Federal Update
  - House and Senate Committees
  - Budget Climate
  - Department of Education - FSA
- HEA Update
  - Timelines
  - Priorities
  - Risk Sharing
  - Financial Aid Program Proposals
  - Likelihood



# State House Bills

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- HB132: Limits the amount of tuition charged by public institutions of higher education
- HB218: Disallows the nonrenewal of a professional or occupational license due to student loan default or breach of a student loan repayment or scholarship contract
- HB535: Makes completion and submission of a financial aid application a condition of high school graduation for public school students



# State House Bills

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- HB630: Establishes the Texas Promise Scholarship Program for certain students at participating two-year public institutions
- HB3137: Regarding TEOG awards to certain students enrolled in a baccalaureate degree program
- HB3240: Regarding a THECB study concerning the long-term effects of regulating tuition rates and amounts charged by public institutions of higher education
- HB4124: Regarding a THECB study and report on best practices to assist certain students in completing the FAFSA



# State Senate Bills

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- SB32: Establishes the Texas Promise Grant Program for certain students at public institutions of higher education
- SB34: Regarding the maximum number of semester credit hours allowed for and funding sources used to supplement a TEXAS grant
- SB35: Regarding the establishment and operation of the Texas B-On-time student loan program



# State Budget Outlook

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- HB1, General Appropriations Bill for Fiscal Years 2019-2020
  - Introduced on 1/23/19
  - Referred to House Appropriations Committee on 2/11/19 (pending)
- Compared to 2018-19 budget, proposes:
  - Decrease in BOT funding (renewals only)
  - Increase in TEG funding
  - Flat funding for TEXAS Grant, TEOG, TCWS, Teach for Texas loan repayment
  - Continued 15% tuition set-aside for TPEG



# Federal House and Senate Committees

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- Senate HELP Committee:
  - Hearing on “Reauthorizing the Higher Education Act: Simplifying the FAFSA and Reducing the Burden of Verification” (3/12/19)
- House Subcommittee on Labor-HHS-Education:
  - “Oversight of For-Profit Colleges: Protecting Students and Taxpayer Dollars from Predatory Practices” (3/12/19)
  - “Protecting Student Borrowers: Loan Servicing Oversight” (3/6/19)
- House Committee on Education and Labor:
  - Hearing on “The Cost of College: Student Centered Reforms to Bring Higher Education Within Reach” (3/13/19)
  - Committee Report: “Don’t Stop Believin’(in the value of a college degree)” (3/8/19)



# Upcoming House Committee on Education and Labor Hearings

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- Follow-ups to 3/13 hearing, in preparation for reauthorization:
  - “Strengthening Accountability in Higher Education to Better Serve Students and Taxpayers”
  - “The Cost of Non-Completion: Improving Student Outcomes in Higher Education”
  - “Engines of Economic Mobility: The Critical Role of Community Colleges, Historically Black Colleges and Universities, and Minority-Serving Institutions in Preparing Students for Success”
  - “Innovation to Improve Equity: Exploring High-Quality Pathways to a College Degree”





# Federal Budget Climate

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- The Trump administration proposed budget requests \$62.0 billion for the Department of Education, an \$8.5 billion or 12.0-percent decrease compared to the 2019 enacted level
- Proposes:
  - Student loan risk-sharing
  - Single IDR plan
  - Elimination of PSLF and subsidized loans
  - Repayment IRS data sharing and IDR plan auto-enrollment for “severely delinquent borrowers”
  - Expanded Pell Grant program eligibility
  - Changes to grants and support for MSIs and HBCUs
  - Restructuring and streamlining of TRiO and GEAR UP programs
  - Refocusing of FWS to emphasize workforce development



# Department of Education - FSA

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- NextGen Financial Services Environment
  - Enterprise-Wide Digital Customer Care Platform - Awarded
  - Enhanced Processing Solution
  - Optimal Processing Solution
  - Business Process Operations
- FSA Mobile Application
  - FAFSA Completion
  - Holistic Personal Financial Management
  - Payment Card / Vehicle
- Leadership Changes – New COO



# HEA Update

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- Last reauthorization in 2008 (HEOA); extended in 2013
- Timelines to move vary (bi-partisan nature varies as well)
  - Senator Alexander is not running for re-election
- Priorities and overlap with proposed budget:
  - FAFSA simplification
  - PSLF/Loan repayment reform Expanding Pell Grants
  - Risk-sharing
  - Gainful Employment
- Financial Aid Program Proposals
  - Simplification (FAFSA and Repayment)
  - Repayment through wage withholding
  - Caps on loan programs (and various interest rate changes)
- Likelihood



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