

The Trump Administration and Higher Education

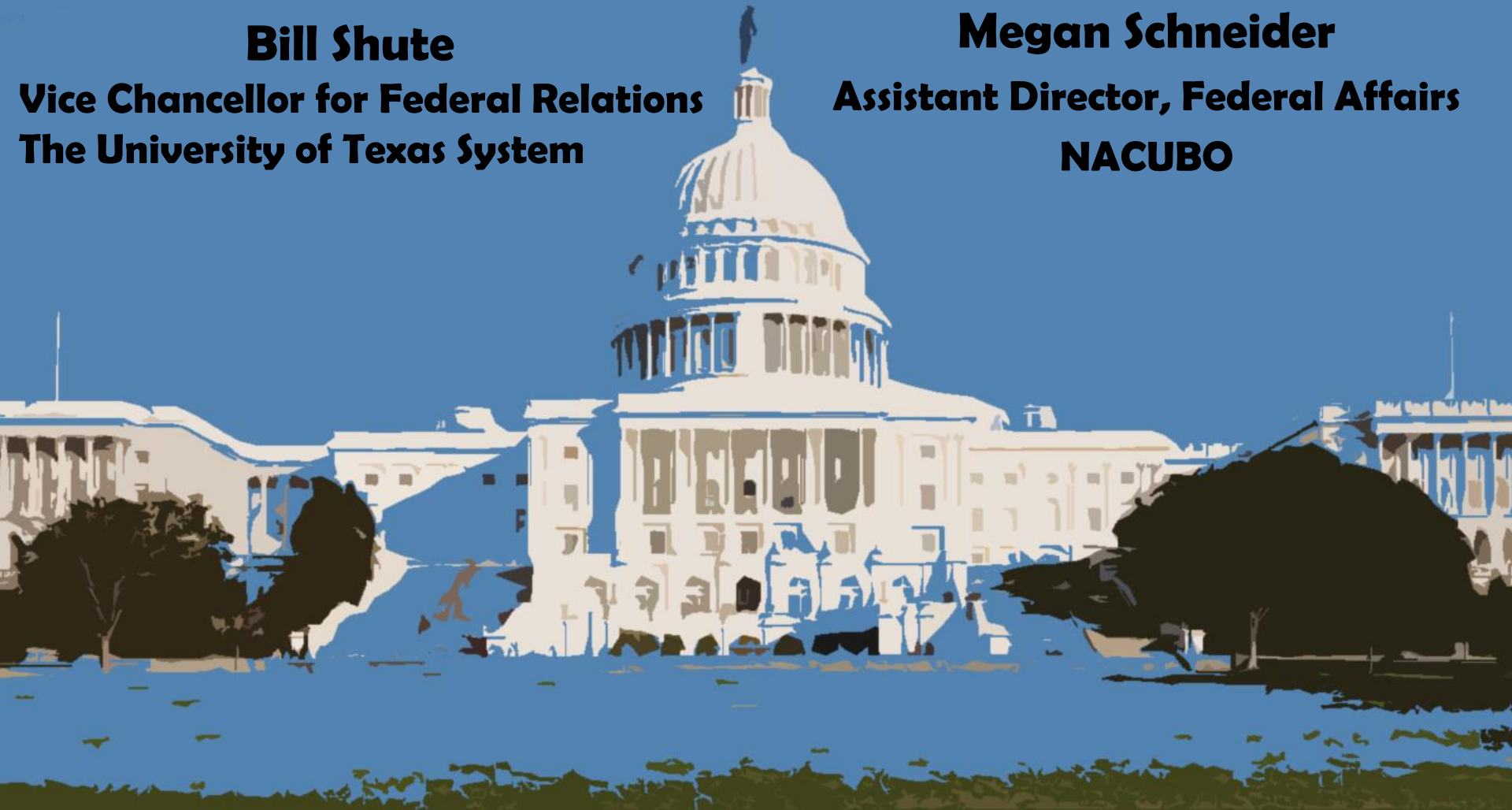
January 31, 2017

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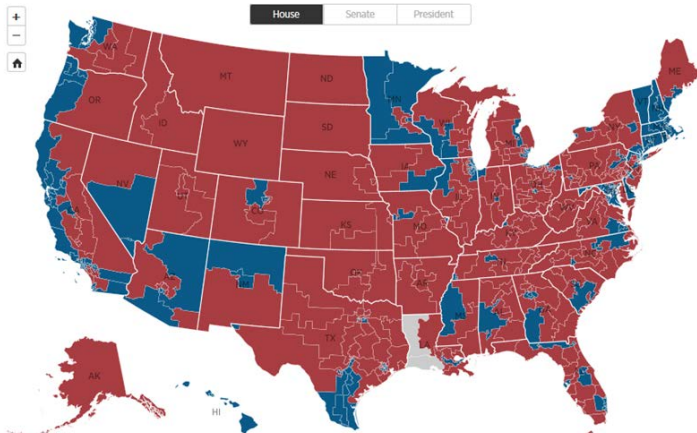
115th Congressional Makeup

House: 241-194

Senate: 52-46-2

- **114th Congress:**
 - 59 seat margin of control
- **115th Congress:**
 - 47 seat margin

- **Essentially 52-48**
(Bernie Sanders-VT and Angus King-ME are Independents)
- **The Senate Democrats pick-up 2 seats**
 - IL (Kirk loss to Duckworth)
 - NH (Ayotte loss to Hassan)



115th Congressional Makeup

Texas Leadership

Senate Majority Leader:

John Cornyn

8 Chairman:

Mac Thornberry – Armed Services

Mike Conaway – Agriculture

Jeb Hensarling – Financial Services

Michael McCaul – Homeland Security

Bill Flores – Republican Study Committee

Pete Sessions – Rules

Lamar Smith – Science

Kevin Brady – Ways and Means

2 New Members:

Jodey Arrington – Agriculture, Budget, Veterans' Affairs

Vincente Gonzalez – Financial Services

Key Subcommittee Chairs:

Ted Cruz – Senate Commerce: Space, Science, and Competitiveness

John Culberson – House Appropriations: Commerce, Science, Justice

Kay Granger – House Appropriations: Defense

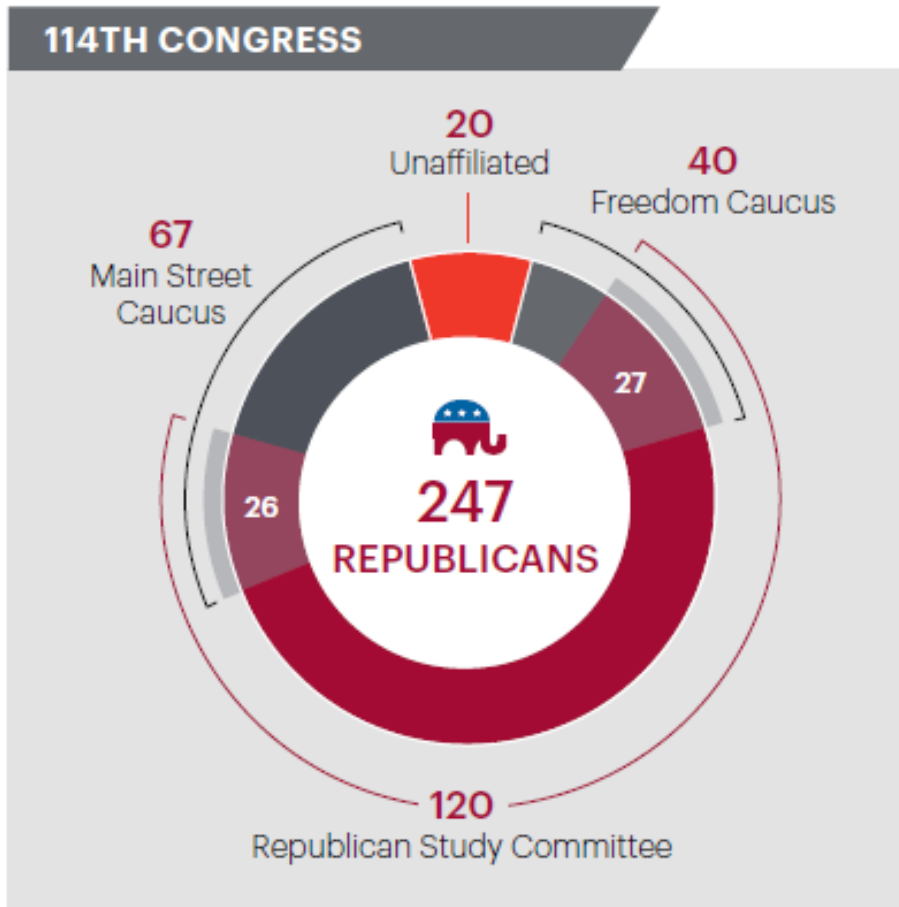
John Carter – House Appropriations: Homeland Security

Michael Burgess – House Energy and Commerce: Health

Will Hurd – House Oversight: Information Technology

John Ratcliffe – House Homeland: Cybersecurity, Infrastructure Protection and Security Technologies

House Freedom Caucus/Republican Splits



- Freedom Caucus est. January 2015
- Members had to be willing to vote against Speaker of the (then John Boehner)
- Ryan, when announced bid for Speaker, said it was contingent upon Freedom Caucus support
- Several other ideological splits among Republicans
 - Budget Hawks
 - Defense Hawks
 - Unlikely ACA supporters

2017 Capitol Hill Outlook

- **Senate confirmation hearings continue for President Trump's cabinet**
 - Only 5 confirmed so far; Gen. Mattis (Defense), Gen. Kelly (DHS), Rex Tillerson (State), Nikki Haley, and Michael Pompeo (CIA)
- **Budget Resolutions for FY17 and FY18**
 - Open the “budget reconciliation” process
 - Pres. Trump’s FY18 budget expected in late February (expect it to be ‘bare bones’)
- **Budget reconciliation passage requires only a simple majority in the US Senate.**
- **Debt ceiling vote**
 - March 15, 2017

ACA Repeal Efforts

- **Pres. Trump issued Executive Order his first day in office**
 - “to minimize the unwarranted economic and regulatory burdens of the Act, and prepare to afford the States more flexibility and control to create a more free and open healthcare market.”**

Budget Resolution: Jan. 12th (51-48/227-198).

- Includes instructions permitting full ACA repeal to move through the Senate without allowing for a Democratic filibuster**
- Replacement efforts still TBD**
- Requires four committees to identify at least \$1 billion each in deficit reduction over 10 years (fiscal years 2017 through 2026) and reserve funds to accommodate repeal and replacement of Obamacare.**

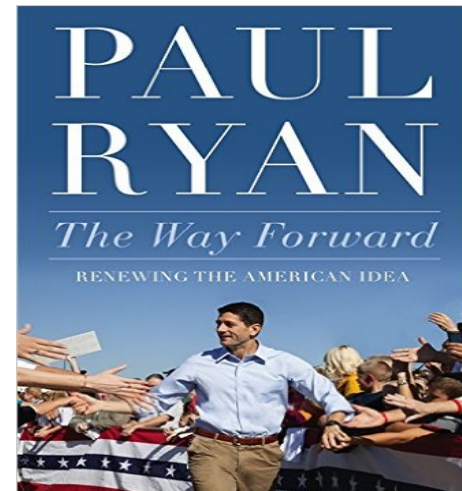
ACA Repeal and Higher Ed.

- **Positive Potential Implications**
 - Cadillac Tax repeal likely (40% excise tax on plans with high premiums)
 - SHIP plan clarifications (IRS determining “scholarships” or “employer payment plans”)
- **Negative Potential Implications**
 - Some concern that repeal would result in students being pushed out of high quality plans
 - Institutional ability to handle large influx of new patients
- **Unknown Implications**
 - Impact on medical schools and university affiliated hospitals
 - The Association of American Medical Colleges (AAMC) urged President Trump to consider the consequences of repealing the ACA without simultaneously replacing it. The American Hospital Association and Federation of American Hospitals echoed similar concerns

Tax Reform and Higher Ed.

Concerns

- **UBIT Treatment**
- **Changes to charitable giving incentives**
- **Changes to tax-exempt bond financing**
- **Addition of endowment taxes (or mandatory payouts)**
- **Corporate integration plans**



Immigration Reform and Higher Ed.

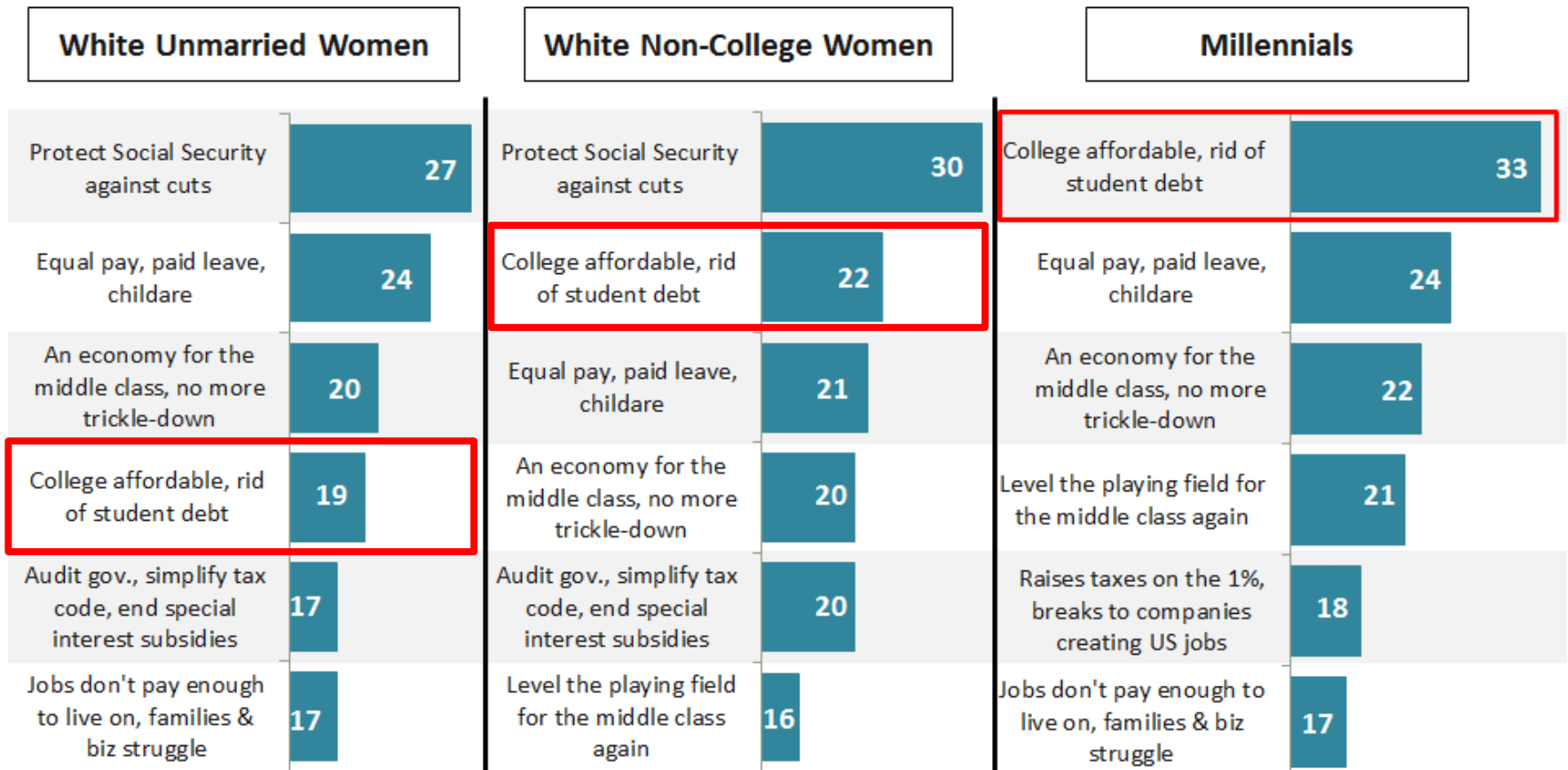
- **Not the current highest priority**
- **The Bar Removal of Individuals who Dream and Grow our Economy (BRIDGE) Act-Sen. Lindsey Graham (R-SC) and Sen. Dick Durbin (D-IL)/Rep. Mike Coffman (R-CO 6th) and Rep. Luis Gutierrez (D-IL 4th)**
 - To protect immigrant children should DACA be eliminated by Trump Administration**
- **H.R. 483-Rep. Duncan Hunter (R-CA 50th)**
 - Proposes stripping all federal funds from any schools that the Sec. of Homeland Security determines is acting as a “sanctuary campus”**

Higher Ed Act Reauthorization

- **Comprehensive reauthorization of HEA not the current highest priority**
- **Broad areas of agreement might see some action**
 - **Financial aid/student debt/transparency/accountability**
 - **Research programs to promote STEM**
 - **Increased research/educational grants for computer science**
 - **Campus Sexual Assault**

Higher Ed Act Reauthorization

When you think back on this statement, which TWO of the following are the most important to you?



Administration Actions

- **ACA Executive Order**
- **Regulation Order**
 - Freeze on all pending regulations not yet published in the Federal Register
 - EPA ban on grants, contracts, rules
 - Congressional Review Action
- **Immigration Executive Order**
 - Temporary ban on immigration from Iran, Iraq, Libya, Somalia, Sudan, Syria, and Yemen
 - Caps refugee admissions to 50,000 in FY17
 - Withholds federal funding to sanctuary cities
- **Border Security Executive Order**
 - Triples ICE agents, increases Border agents by 5,000, redirects DHS funds to begin constructing the wall

Dept. of Education

- **Betsy DeVos**

- Vote on nomination scheduled for Jan. 31st



- Much more known on her K-12 views than higher ed.

- Has contributed to both public and private institutions through her foundation

- Would likely scale back on some Title IX protections and the Office of Civil Rights work

Dept. of Labor

Overtime Rule: Uncertain Future

- Was set to go into effect on Dec. 1, 2016
- Based on DoL appeal schedule, no judicial ruling until late/feb. or March at the earliest
- Multiple avenues for change:
 - Congressional (CRA)
 - Trump Administration



Secretary Nomination

- Andy Puzder
 - Senate HELP Nomination Hearing: Feb. 2nd
- Very critical of Obama Administration DoL and would likely work to change many of its policies

Treasury/IRS

Secretary Nomination

- **Steve Mnuchin**
- **Will serve as the Administration's point person on tax reform**
- **"Will look at...[blockers]" but hopes that tax simplification would help eliminate the need for such entities**
- **Plans to combat "excessive regulation"**



EPA/Energy Dept.

EPA Administrator

- **Scott Pruitt: Nomination hearing held on Jan. 18th**
- **Refers to himself as “a leading advocate against the EPA’s activist agenda”**

Energy Dept

- **Rick Perry: Nomination hearing held on Jan. 19th**
- **Perry has said he now “regrets” saying he’d eliminate the department when he ran for president**
- **Supports maintaining all current functions of the Department although Trump Administration has said there will be cuts**



Federal Communications Commission (FCC)

Changes to TCPA regulations?

- **Must have consent to reach individuals on their cellular phones while using autodialers, prerecorded voice messages, or mass texting systems**

Net Neutrality

- **President-Elect Trump is opposed to it as is Ajit Pai, recently named to head the FCC**



Veterans Affairs (VA)

Secretary Nomination

- **Dave Shulkin**
- **Current VA undersecretary**
- **Priorities likely to be VA health network**



Dept. of Justice

Web Accessibility

- Ongoing Issue
- Higher ed. associations submitted comments on most recent proposal

Attorney General Nomination

- Sen. Jeff Sessions: Hearing held Jan. 11; vote likely to happen this week
- Office of Civil Rights changes



CFPB

Recent Report

- **Raises concerns about fees and features that can be attached to college-sponsored accounts and credit cards**

Action To Watch

- **CFPB possibly looking to create a role for itself in the accreditation process**



“Trump’s Election Does Not Bode Well For the Consumer Financial Protection Bureau”-Washington Post Headline, Nov. 15, 2016

- **Director Cordray to be replaced?**
- **U.S. Court of Appeals for the DC Circuit issued a decision last month that could greatly weaken the CFPB and allow Cordray to be replaced**
- **Many Republicans would be happy to see it disbanded**
- **Cordray has said Trump Administration won’t change CFPB’s enforcement efforts**

Thank You!

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