Federal Update

FY 2014 Budget Agreement

On January 16th, the Congress sent a $1.1 trillion omnibus spending bill to the president for his signature.

Included in the bill were 11 separate appropriations bills, including the FY 2014 Labor/HHS/Education appropriations bill and funding for all of the education programs.

Overall, the Department of Education saw a $1.6 billion increase in funding over the FY 2013 sequester cuts. Included were the following funding levels for financial aid programs:

- $85 increase in the maximum Pell Award, which brings the maximum grant up to $5,730
- Supplemental Educational Opportunity Grants (SEOG) saw a $37 million increase in funding which essentially restored the cuts from the sequestration cuts
- $49 million increase in funding for Federal Work Study

This increased funding will be distributed to students during the 2014/2015 academic year.

Finally, due to the late hour of the agreement on the 2014 budget, the Obama administration has postponed the release of their 2015 budget until March 4, which is a full month behind schedule.

Higher Education Act Reauthorization

On January 1, the 2008 version of the Higher Education Act expired and Congress is now officially late in their reauthorization of the Higher Education Act. This is certainly no surprise. During the last reauthorization cycle, Congress repeatedly postponed action on reauthorization and finally passed the bill 6 years late.

Staff from both House and Senate committee’s of jurisdiction have been realistic when asked about the prospects of any legislative action in 2014 and have stated that hearings may be held, but passage by either committee is unlikely due to election year politics.
Regulatory Commission

In late November of last year, Senator Lamar Alexander, a former Secretary of Education, led a group of senators who have called for the creation of a task force to study the regulatory burden that all institutions of higher education face.

The 16-member task force has been charged with conducting a comprehensive review of the regulatory requirements affecting colleges and universities, with a focus on regulations stemming from both Congress and the Department. The goal is for the commission to make recommendations to be included in the new Higher Education Act that ease the burden on institutions, while at the same time maintaining important student and taxpayer protections.

State Update

Last month, Governor Jindal announced an increase in $141 million for state funding of higher education. However, if one examines that figure a little closer, over $93 million comes from an increase in tuition at state institutions. This will likely provide Loyola’s Louisiana residents who qualify for TOPS a small increase in their TOPS award starting next fall.

In addition to the tuition hike, a new $40 million workforce incentive fund was announced that will allow state institutions to receive an increase in state funding should they increase the number of graduates in targeted STEM (science, technology, engineering and math) fields. To receive the state funds, institutions must obtain cash, or an in kind, donation from private sources equaling 20% of the state grant.

While private institutions are not currently eligible for this $40 million incentive fund, Loyola and the other private institutions will certainly be pushing for an increase in state funding for privates in some form in the upcoming legislative session.

The 2014 Legislative session begins on March 10th and runs through June 2nd.