

State Policy Update



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About AASCU

- **400 presidents/chancellors of public universities & systems**
- **Emphasis: undergraduate education, college access, student success, institutional leadership**
- **Federal lobbying and federal/state/institutional policy leadership**
 - **Only D.C. higher ed association with state policy focus in addition to federal focus**
- **Leadership/professional programming for CEOs, CAOs, Government Relations, Communications, International Affairs**

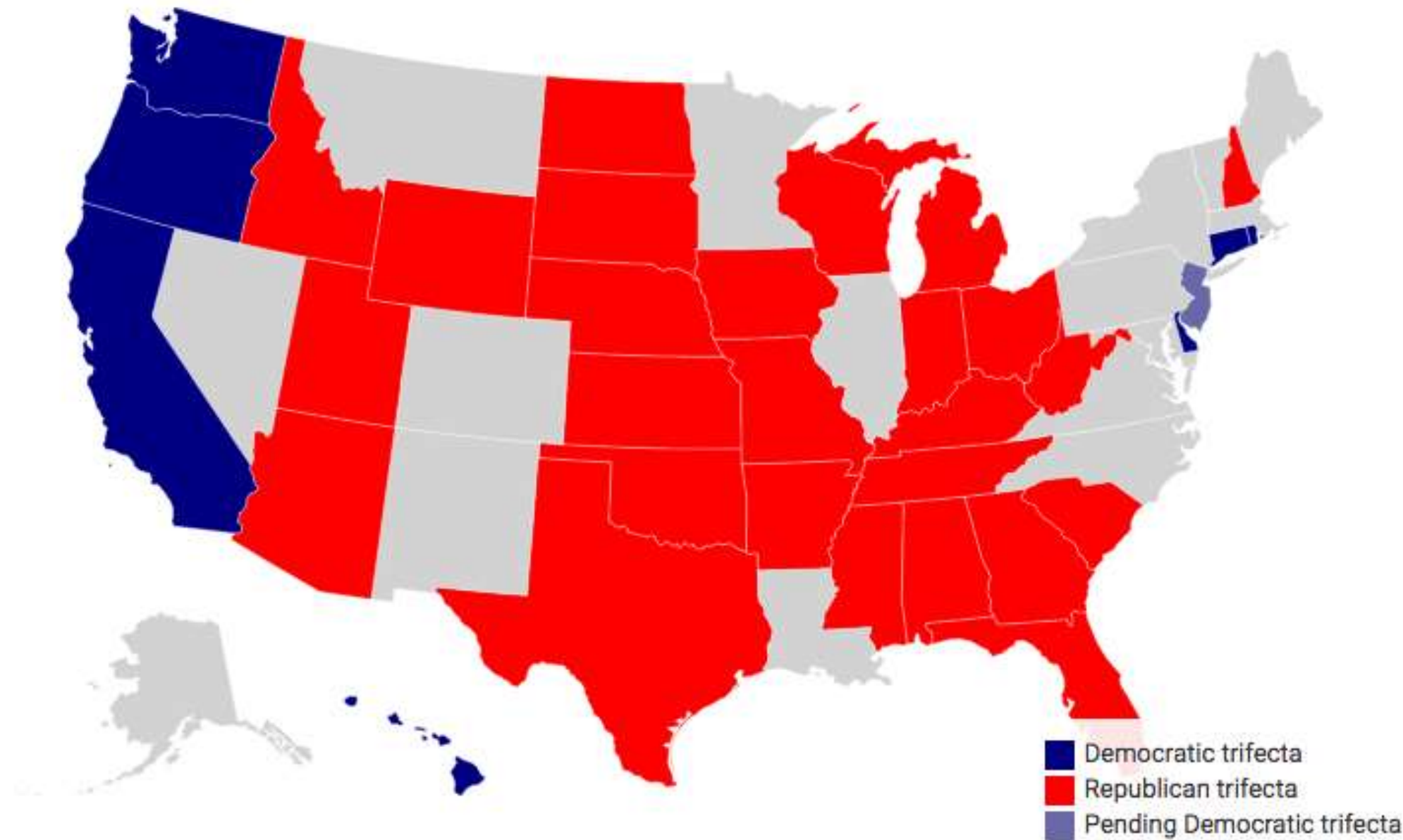
AASCU Public Policy Agenda

- Annual summary of state and federal policy priorities
- Focus on student access, affordability and success
- Endorsed by several other higher education groups



State-Level Balance of Power Today

Current state government trifectas



Source: Ballotpedia

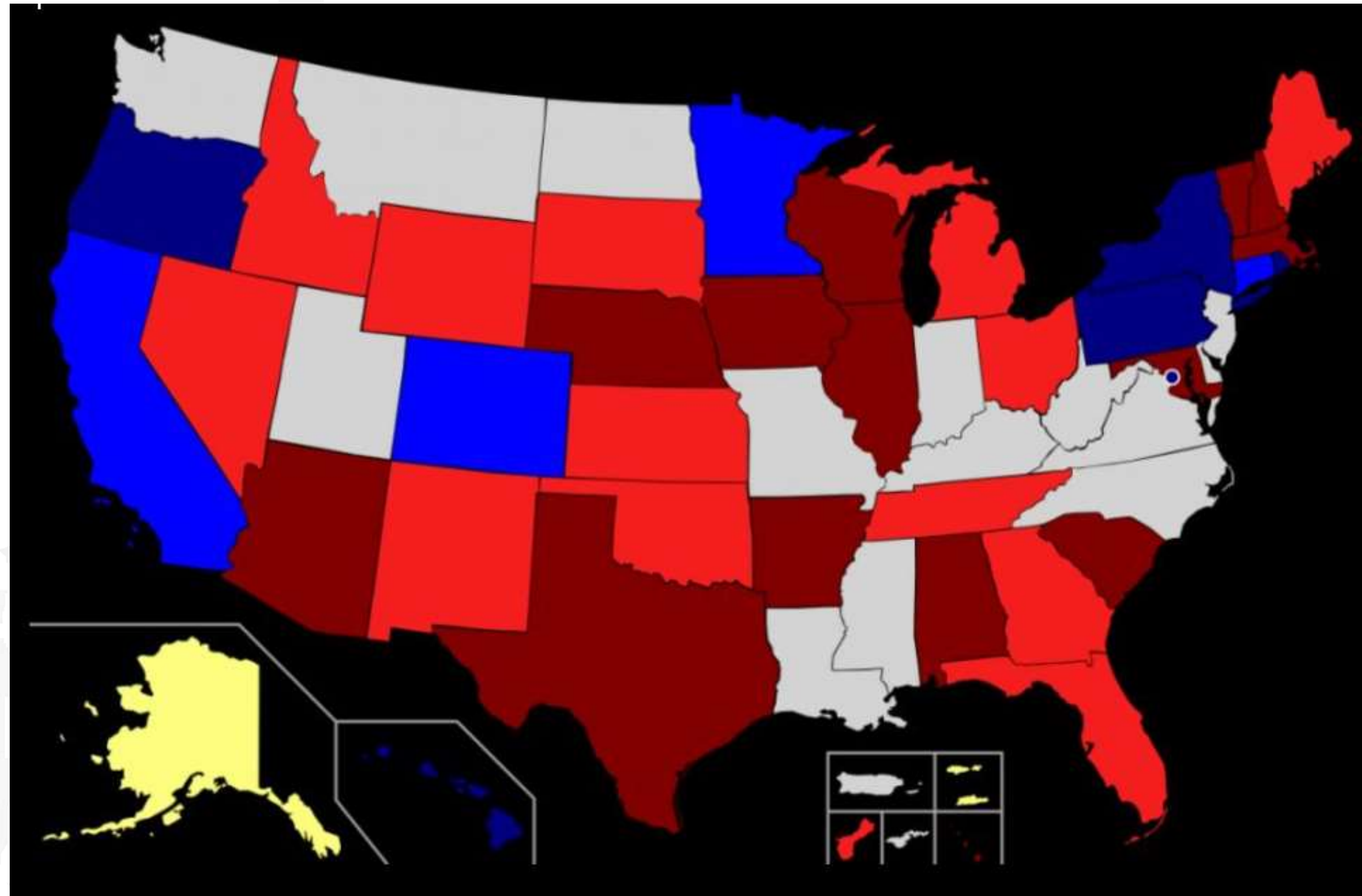
BALLOTPEDIA

Source: Ballotpedia, 2017

2017 and 2018 Elections

- **2017 Elections:**
 - +1 D gubernatorial gain (NJ)
 - Democrats held VA governors mansion
 - Big gains for Democrats in VA House
- **Current balance of power: 67 chambers in GOP control, 32 in Dem control. 7 Dem Trifectas, 26 Republican. GOP power at a 100-year high**
- **2018 Elections**
 - 36 governors of for re-election
 - 82% of legislative seats up
 - Stakes are huge: 2020 Census and redrawing federal/state district lines
 - Other possible issue? Supreme Court case on gerrymandering

2018 Governor's Races



Source: Wikipedia, 2017

Top 10 State Policy Issues

- **1) Higher Education Funding Amid “Softening” State Budgets**
- **2) Affordability**
- **3) Economic and Workforce Development-Building a Skilled Workforce to Revitalize State Economies**
- **4) Undocumented and DACA Students**
- **5) Campus Sexual Assault**

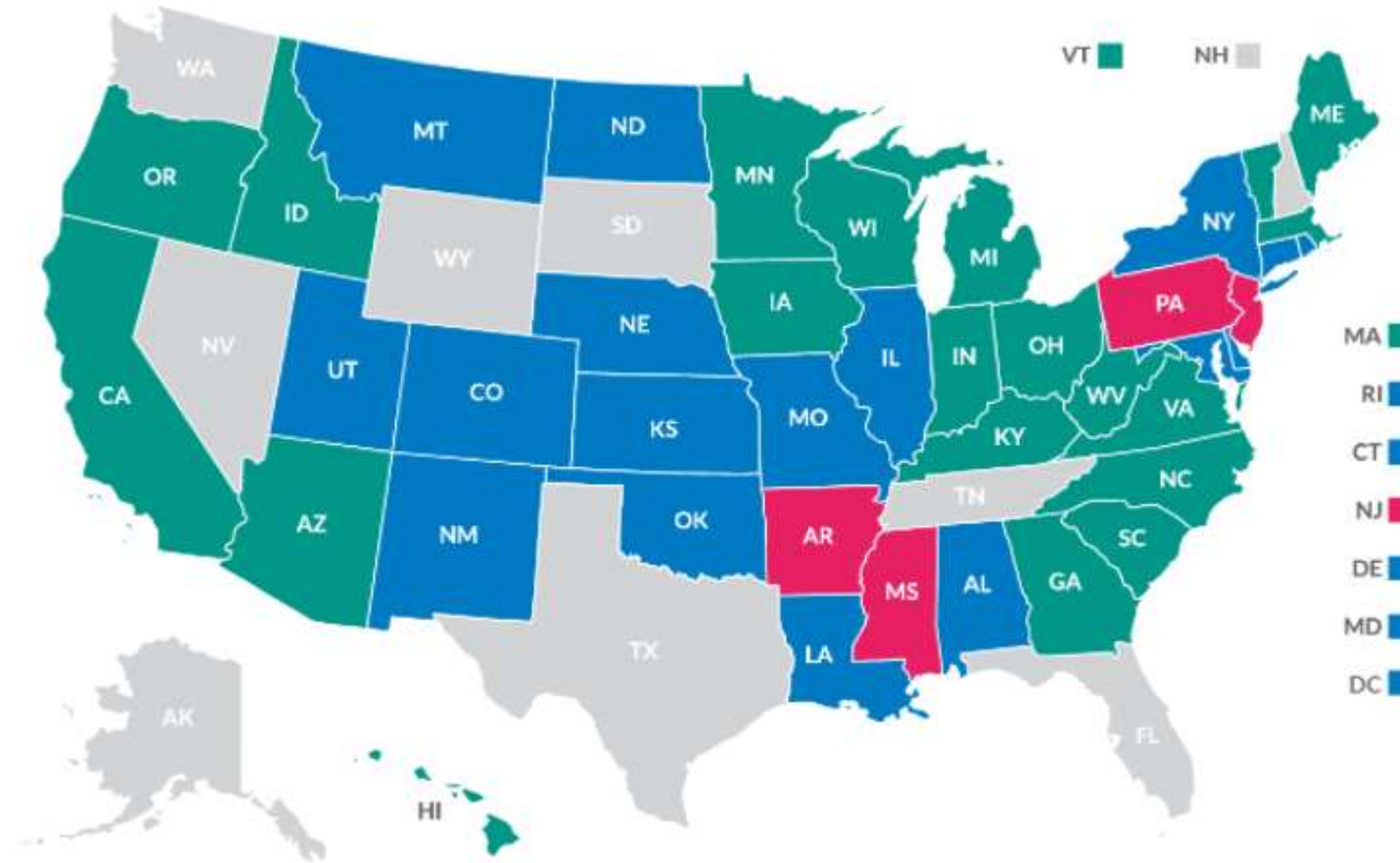
Top 10 State Policy Issues

- **6) Guns on Campus**
- **7) Institutional Productivity and Student Success**
- **8) Academic Freedom, Civil Rights and Social Issues**
- **9) Student Debt Management**
- **10) Dual Enrollment**

The Wildcard: Federal Tax Reform

- **Moody's Outlook for Higher Education: 2015-2017 stable, 2017 and beyond is "negative." Drivers: tax reform, and limited growth in revenue (tuition and appropriations)**
- **How will states respond to (potential) changes in the SALT deduction?**
- **Will states conform to (potential) federal tax changes?**
- **How will students and institutions respond to (potential) changes in tax benefits?**

Does Your State's Individual Income Tax Code Conform With the Federal Tax Code?



Note: States conform to the federal tax code on either a static or rolling basis. Static conformity means conforming to the Internal Revenue Code (IRC) as of a specific date, such as January 1, 2016. Rolling conformity means adopting IRC changes as they occur.
 Source: Bloomberg BNA

- Rolling Conformity
- Static Conformity
- No Conformity (State Calculation)
- No Individual Income Tax

Source: Tax Policy Center

State Conformity Example: Missouri

- Rolling conformity for simplification. 71% of revenue is income tax. Total state general revenue budget of \$8b-\$9b
- Lost revenue under House bill: as high as \$700m according to state analysts, other projections as high as \$1 billion
- House Budget Chair: Lost revenue over \$500m could lead to “no holds barred” situation with “substantial” cuts to K-12 & higher ed

Source: *Springfield News-Leader*, December 5, 2017



Tuition

- **Negotiated tuition agreements in recent years have kept tuition increases mild by historical comparisons**
- **What will happen with new state budget pressures, possible cuts?**
- **Other issues: Free college movement. Key states: NY, CA, RI. Other states=targeted to programs in high-demand careers**

Tuition

	Public Two-Year In-District	Public Four-Year In-State
Tuition and Fees		
2017-18	\$3,570	\$9,970
2016-17	\$3,470	\$9,670
\$ Change	\$100	\$300
% Change	2.9%	3.1%
Room and Board		
2017-18	\$8,400	\$10,800
2016-17	\$8,170	\$10,480
\$ Change	\$230	\$320
% Change	2.8%	3.1%
Tuition and Fees and Room and Board		
2017-18	\$11,970	\$20,770
2016-17	\$11,640	\$20,150
\$ Change	\$330	\$620
% Change	2.8%	3.1%

Source: College Board, Trends in College Pricing, 2017

Economic and Workforce Development

- Continued interest in policies that encourage state resident to pursue education/training for available jobs in the state
- Focus on STEM, career, technical education
- Policy levers: Low or free tuition, loan forgiveness, public-private partnerships

Undocumented and DACA Students

- **DACA will start expiring in spring 2018 without Congressional action**
- **Eligibility for in-state tuition linked to DACA in many cases**
- **States continue to debate offering in-state tuition, financial aid to the undocumented**
- **Crackdown on “sanctuary campuses” in Texas and elsewhere, but offering sanctuary is a “check that can’t be cashed”**

Campus Sexual Assault

- **Changes in federal guidance**
- **Less state-level legislation than past years**
- **Interest from some lawmakers in ensuring due process**
- **Other legislation in areas like immunity from campus misconduct violation (i.e. underage drinking) for reporting sexual assault**

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Guns on Campus

- **Bill introduced in at least 20 states in 2017**
- **Legislation signed in Arkansas and Georgia. Now 10 states allow guns on campus**
- **More legislation expected in 2018**

Institutional Productivity and Student Success

- **Post-recession shift to performance funding continues, over 30 states have PBF to some degree. New states includes RI, WI, KY, AR**
- **Researchers starting to explore the effects of post-recession PBF systems**
- **Based on research, PBF has had very limited positive effect thus far on outcomes**
- **Concerns remain the effects on minority-serving institutions, student access**

Academic Freedom, Civil Rights and Social Issues

- Free speech on campus bills introduced in at least 22 states
- CO, NV, UT, AZ, VA have all passed free speech on campus bills in recent years
- Many of these bills just restate current law
- Some are concerning, ranging from micromanagement to tying the hands of campus leaders

Other Issues

- **Demographic shifts**
 - Campus mergers
 - Out-of-state students
- **Student debt management**
- **Dual enrollment**

Resources

- **AASCU Daily Policy Headlines**
- **AASCU EdLines (weekly state policy headlines)**
- **AASCU Policy Briefs**
- **AASCU Federal Updates**

Questions?

