



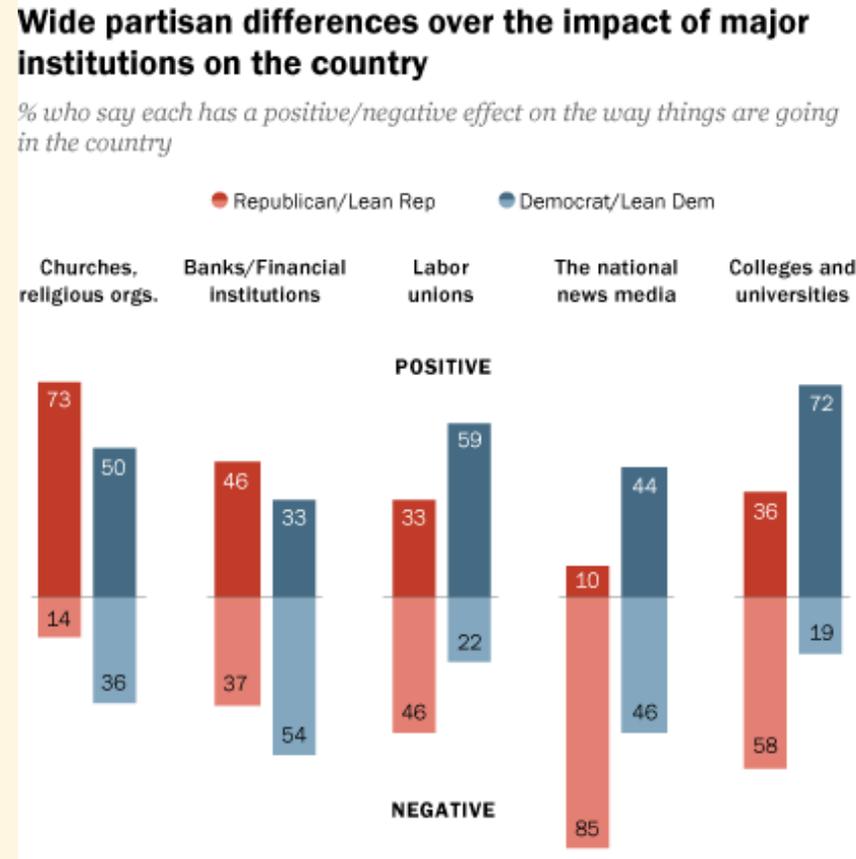
Making the Case for Higher Education

2018 PHELAP Conference

July 26, 2018

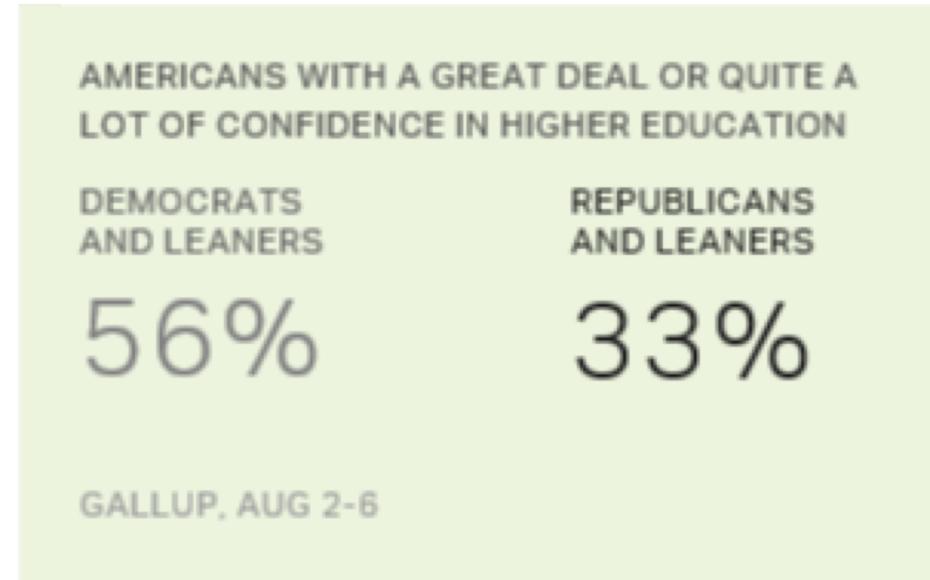
Pew Research Center (July 2017)

“Are colleges and universities having a positive or negative effect on the way things are going in the country these days?”



Gallup Poll (August 2017)

“Please tell me how much confidence you have in colleges and universities – a great deal, quite a lot, some, or very little?”

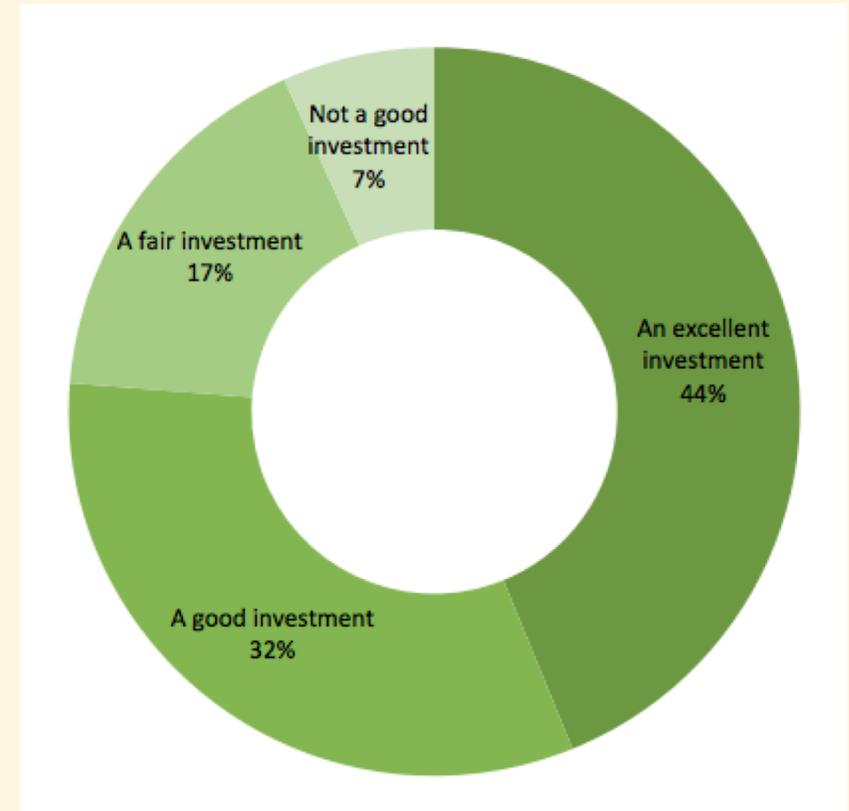


What reasons did Republicans cite for low confidence?

How about Democrats?

Other Studies/Research

- American Council on Education Focus Groups (Jan. 2017)
- New America Study (May 2018)
- Columbia University Teacher's College (July 2018)



Claiming Our Story

The Imperative for Higher Education

View a recording of the live webcast!

Friday, March 9, 2018 · 9:30 – 11:00 AM EST
American University · Washington, D.C.



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TAX CUTS & JOBS ACT

Endowment Excise Tax: Where We Started

– Excise Tax

- 1.4 percent excise tax on net investment income of private colleges and universities meeting specific criteria
 - Over 500 students
 - Over endowment assets of at least **\$100K** per full-time student

Qualified Tuition Reduction: Where We Started

- **IRS code Section 117(d)** permits educational institutions, including colleges and universities, to provide their employees, spouses or dependents with tuition reductions that are excluded from taxable income.
- **IRS code Section 127** allows employers to offer employees up to \$5,250 annually in tuition assistance which is excluded from taxable income.

Endowment Excise Tax: Where We Started

– Excise Tax

- 1.4 percent excise tax on net investment income of private colleges and universities meeting specific criteria
 - Over 500 students
 - Over endowment assets of at least **\$100K** per full-time student



Current tax plan

stipend (take home) = \$38,352

tuition & health insurance waiver = \$51,000 (not taxed)

standard deduction = \$-6,350

personal exemption = \$-4,050

taxable income = \$38,352
- 6,350
- 4,050

\$27,952

tax bracket = 15%

yearly tax = $(\$9,325 \times 0.1) + ((\$27,952 - \$9,325) \times 0.15)$
= \$3,726.55

yearly rent = $\$1,100 \times 12 = \$13,200$

usable income = \$38,352
- 13,200 (rent)
- 3,726 (taxes)

\$21,426

Tax Cuts & Jobs Act

stipend (take home) = \$38,352

tuition & health insurance waiver = \$51,000 (taxable)

standard deduction = \$-12,000

personal exemption = \$-0

personal credit = \$-300

taxable income = \$38,352
+ \$51,000
- \$12,000
- \$300

\$77,052

tax bracket = 25%

yearly tax = $(\$45,000 \times 0.12) + ((\$77,052 - \$45,000) \times 0.25)$
= \$13,413

yearly rent = $\$1,100 \times 12 = \$13,200$

usable income = \$38,352
- 13,200
- 13,413

\$11,739



Qualified Tuition Reduction: Where We Ended

REMOVED

Endowment Excise Tax: Where We Ended

– Excise Tax

- 1.4 percent excise tax on net investment income of private colleges and universities meeting specific criteria
 - Over 500 students
 - Over endowment assets of at least **\$500K** per full-time student
- Roughly 30 colleges/universities subject to tax

UW Impact Case Study: PROSPER Act Advocacy

University of Washington Alumni Association

PHELAP Conference

Georgia Tech

July 26, 2018

Q: What is the PROSPER Act?

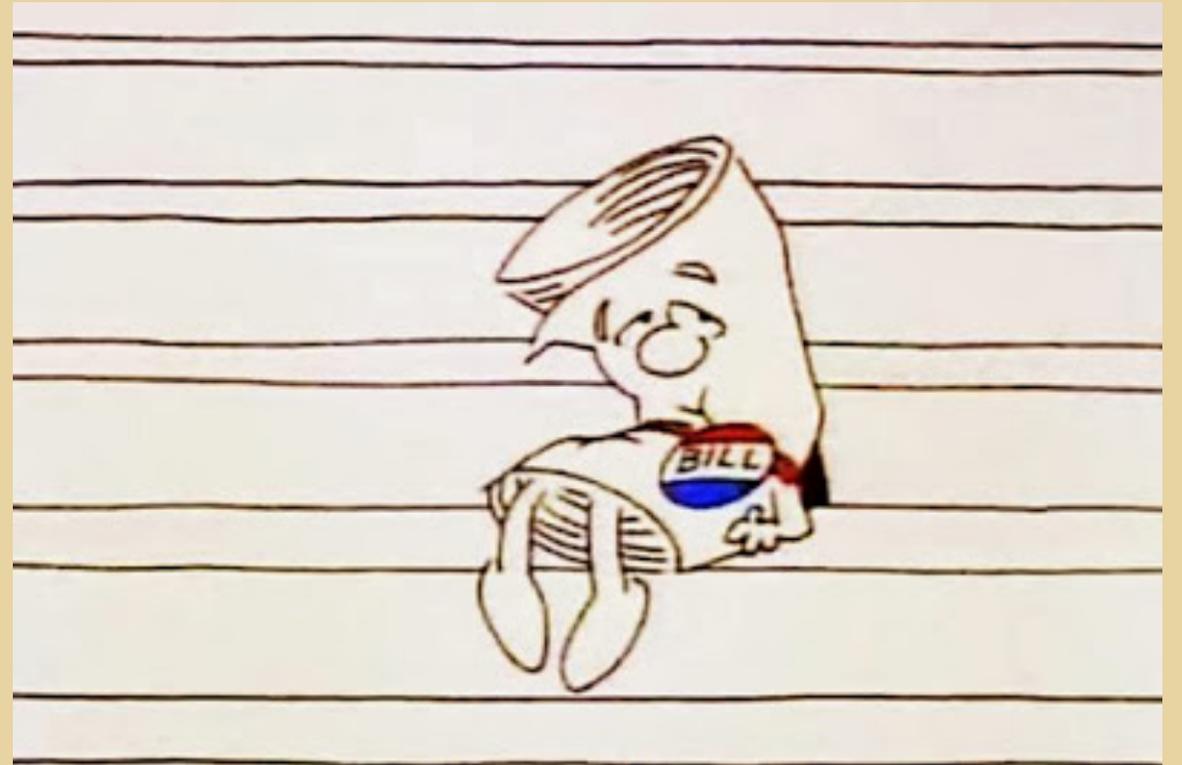
A: The PROSPER Act is legislation that reforms the Higher Education Act of 1965. PROSPER is an acronym: Promoting Real Opportunity, Success and Prosperity through Education Reform.

Quote from House sponsors Foxx (R-NC) and Guthrie (R-KY):

“With six million unfilled jobs and over a trillion dollars in student debt, simply reauthorizing the Higher Education Act will help no one. A hard truth that students, families, and institutions must face is that the promise of a postsecondary education is broken. We need a higher education system that is designed to meet the needs of today’s students and has the flexibility to innovate for tomorrow’s workforce opportunities. The PROSPER Act is higher education’s long overdue reform.”

Some HEA History...

- HEA is generally reauthorized every 4-6 years
- Higher Ed Act of 1965 has been reauthorized 8 times, with a few substantive changes
- Last reauthorization was 2008 and was set to expire in 2013.
- Lawmakers have been filing extensions until Dec. 2017, when the House introduced its version of the HEA, called the PROSPER Act.



A Few Challenges with PROSPER (spring 2018):

The PROSPER Act eliminated:

- The Public Service Loan Forgiveness Program
- Supplemental Educational Opportunity Grant (SEOG) program, which supports the neediest of needy students. This would immediately affect 7,500 UW undergraduates.
- Federal work-study programs for graduate students
- Subsidized Stafford loans for the neediest students
- ... and eliminated or significantly cut almost all federal grant programs except the Pell Grant.

A Few Challenges with PROSPER (spring 2018):

Also...

- Federal student loans would begin accruing interest right away vs. upon graduation, increasing student loan debt by thousands of dollars for most borrowers.
- Proven programs for underrepresented and first generation students, such as TRIO and GEAR-UP, faced dramatic reductions in funding.
- The bill made it easier for unscrupulous for-profit actors in higher education, such as Corinthian Colleges, back in the market by eliminating existing safeguards against predatory institutions.



Key Points for Communicating about PROSPER

- UW alumni care about issues that affect students, especially access and affordability.
- Focus the message on the legislation, NOT the legislators or the administration.
- Target the message to districts with “sticky” legislators
- Echo the university president’s messaging



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Results of 2 PROSPER Email Campaigns

- Slightly lower participation rates than in state-focused campaigns (more complex issues, farther districts).
- 16% first-time advocates compared to 21% average
- UW Federal Relations reported that constituent voices moved the needle on the Public Service Loan Forgiveness Program



What's Next?

- PROSPER still exists with many challenging issues
- Stay the course of targeted and strategic communications
- Work harder to remind advocates, alums, the Legislature, and the community at large of the value of higher education.



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Roundtable Discussion

1. What can we do to combat some of the current mythology and difficult truths around higher education?
 - What is the role of our alumni advocates?
 - What is our role with educating our lawmakers?
2. How do we keep higher education a non-partisan issue in an era of politicizing all issues?
3. What are the risks if we do nothing? Can we expect that higher education will remain a trusted institution?



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CASE Advocacy
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CASE Advocacy Network – join at
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