
FEDERAL RELATIONS

The House/Senate Budget for FY 2016 – Negative Impact on Pell Grants

For the first time since 2006, the House and Senate will have a conference report on their respective budget resolutions (The Budget Control Act, adopted in 2011, was an actual bill, not a resolution.). The budget that receives the most votes will be the one that will be agreed upon. Budgets are resolutions, not bills, so they don't go to the President for a signature or veto. As proposed, both do significant harm to the Pell Grant program.

The House Budget Committee plan freezes the maximum Pell Grant at \$5,775 for ten years. The purchasing power of Pell Grants has fallen considerably over time — the maximum grant now covers about 30 percent of the average cost of attending a four-year public college, the lowest share in 40 years and less than half what it covered in 1980 — and would continue to fall under the plan .

The House Budget Committee plan also entirely *eliminates* mandatory funding for Pell Grants — about \$90 billion over 2016-2025 — so all Pell funding would have to come through the annual appropriations process. This mandatory funding was the safeguard for Pell Grants. But the budget provides no additional funding for discretionary programs in 2016 beyond the austere sequestration caps — and, starting in 2017, it sharply cuts funding for the non-defense discretionary (NDD) budget category *below* the sequestration levels; between 2017 and 2025, it would cut NDD programs by \$759 billion below those levels. By 2025, NDD funding would be about one-third below the 2010 level, adjusted for inflation.

Within these severe constraints, *it would be virtually impossible for Pell Grants to receive sufficient funding to maintain current eligibility rules, even at the frozen grant levels the budget proposes.* NDD programs also include important investments in research, infrastructure, and other education programs, such as Title I, special education, and Impact Aid. They include a range of essential services, as well, from veterans' medical care to border security to environmental protection. Fully funding Pell Grants would require even steeper cuts in these other programs than they would already face under the House budget. More likely, policymakers — facing competing demands and severely reduced NDD funding — would sharply restrict Pell eligibility.

After attending both the House and Senate Budget mark-up of their spending proposals, and considering the significant damage these proposals will have to the support and funding of the Pell Grant, Wayne State University, along with the University of Michigan and Michigan State University, sent letters to the entire Michigan delegation voicing our concerns regarding Pell Grant funding.

The House and Senate Budget Resolutions

In general, the House and Senate agreed to budgets that would decrease domestic spending and increase spending for defense. Both use various means to avoid breaking the law and precedent set in the 2011 Budget Control Act to do so.

The U.S. Senate adopted a fiscal 2016 budget that calls for \$5.1 trillion in spending cuts to achieve balance in 10 years, while avoiding proposals to partially privatize Medicare as many Republicans brace for re-election. The House bill is very similar to the Senate. Both of these resolutions won votes because they both backed more defense spending than President Obama proposed. To appease advocates of more defense spending, the plan places money in a special war-funding account that isn't subject to spending limits for 20 years.

One key difference between the Senate and House bills is on Medicare. The House would partially privatize Medicare. The Senate plan instead calls for \$430 billion in spending cuts without explaining where they would be made. Next month, the House and Senate will attempt to have a conference to reconcile the differences between these two bills.

If the House and Senate can agree on a joint budget, that would allow use of a special procedure to let Republicans send legislation repealing the Affordable Care Act to the President's desk. The President is, of course, expected to veto such a measure, though Republicans say that if the Supreme Court strikes down most of the law's federal subsidies in the next several months, the President could be brought to the negotiating table to change the health-care law.

The House budget plan adopted Wednesday differs little from last year's plan. It calls for cutting domestic spending (including Pell Grants) to provide more funds for defense spending while avoiding tax increases. The final House vote came after Republicans resolved a dispute over defense funding. Lawmakers adopted an amendment to increase war funds to \$96 billion without offsetting any of that total with spending cuts elsewhere -- violating the law established under the Budget Control Act.

Agreeing on a budget plan won't resolve the fight over raising spending caps for the fiscal year starting Oct. 1 because a budget resolution isn't a law signed by the president. To raise the caps as defense proponents want will require a deal later this year with the President and Democrats. The limits were enacted as part of the 2011 Budget Control Act, intended to cut \$1.2 trillion in spending through 2021. Congress voted to ease the spending reductions for the past two fiscal years, and the question is whether lawmakers will do the same for 2016.

Many Republicans consider the 2011 law one of their most significant achievements. The President's budget request offered a \$38 billion increase for national security programs over current budget caps in exchange for \$37 billion more for domestic programs.

National Science Foundation and Research Funding

Several Deans, researchers and professors will soon travel to the Washington, D.C. area for visits and meetings at the National Science Foundation (NSF). Unfortunately, the current budget reduces funding for NSF as well. The House and Senate budgets also call for agencies like NSF and the National Institutes of Health (NIH) to perform more "targeted" as opposed to "basic" science research.

NSF is the cornerstone of America's research enterprise, continued and the science it supports is absolutely critical if this nation is to remain at the forefront of scientific progress, innovation, and knowledge creation in the fields of science, engineering, and education. NSF is one of our nation's greatest tools for the promotion and advancement of scientific, mathematical, and engineering research and education. Although NSF accounts for only 4% of federal R&D spending, it supports nearly 50% of the nonmedical basic research at our colleges and

universities. It funds research in new frontiers of scientific inquiry and contributes to creating a highly skilled, competitive workforce in science and engineering.

NSF is the only federal agency with the unique and important mission of “promoting the progress of basic research in all fields of science and engineering.” Given its important mission, NSF invests 94% percent of its budget directly to support research at colleges and universities in all 50 states. This significant level of support reached 1,922 institutions of higher education and nearly 299,000 researchers, postdoctoral fellows, trainees, teachers, and students in 2014. Data for FY 2014 indicate that NSF received around 50,000 grant proposals and made 10,800 awards, mostly to individual investigators at colleges and universities, and other public and private institutions. NSF identifies the best ideas and the people to develop these ideas through a world-renowned merit-review process.

NSF is tasked with keeping the nation at the forefront of discovery in all fields of fundamental science and engineering. Through seven directorates, the agency funds research in traditional academic areas, as well as “high-risk, high pay-off” ideas – all of which are integrated with educating future scientists and engineers. Our visit with NSF, combined with those at NIST and USDA, will build relationships between our deans, professors and researchers for many years to come.

STATE RELATIONS

House & Senate Subcommittee Action

On March 26th, the House and Senate Higher Education Appropriations Subcommittees passed their respective versions of the Higher Education budget to the full Appropriations Committees.

In the House subcommittee, the budget calls for a 1 percent increase in overall funding, which would mean \$531,800 in new funding for WSU if any tuition increase is kept below 4 percent or \$400 per student (whichever is higher). At our request, an amendment was offered to the budget to increase the funding to 2 percent overall AND distribute the new funding on a 50/50 basis (50 percent to the base and 50 percent through the metrics). The amendments failed on a party-line vote. The overall budget also passed the subcommittee on a party-line vote.

The Senate subcommittee’s version of the budget largely mirrors the Governor’s proposal. It calls for a 2 percent increase in overall funding, which would mean a \$1.103 million (0.6 percent) increase. WSU would only receive the increase if we kept any tuition increase at or below 2.8 percent. All three of the Senate subcommittee members voted in favor of the budget. Because of the other Universities’ (and BLM’s) opposition to an independent third-party study, no amendments to this effect were offered in the subcommittees.

Beginning March 30, the legislature will be on a two week break. Once they return, the full Appropriations Committees in the House and Senate will consider the various budgets. When the full Appropriations committees consider the Higher Education budgets, we will have members offer amendments for the third-party study of the metrics and the 50/50 split of the new funding. Between now and then, we will continue talking with members of the Appropriations Committees and the Detroit Delegation to try and get as much support for the amendments as possible.

New Member Meetings

The Kelley Cawthorne meetings with new members of the legislature continued. WSU representatives attended all of these meetings. Recent meetings have been held with Sen. Ken Horn (R- Frankenmuth) and Reps. Derek Miller (D-Warren), Vanessa Guerra (D-Bridgeport), Holly Hughes (R-Montague), Chris Alfendoulis (R-Grand Rapids Twp.) Henry Vaupel (R-Fowerville), Lana Theis (R-Brighton), Ed Canfield (R-Sebwaing), Jason Sheppard (R-Monroe County) and Triston Cole (R-Mancelona).

Legislative Calendar

The state legislature will be on break for the last week of March and the first week of April. Committees and session will resume on April 7.

Joint Capital Outlay Meeting

The State Budget Office gave testimony recently to the Joint Capital Outlay Committee on the Governor's budget recommendation. The three university projects that were discussed as a part of the budget recommendation were from Lake Superior State University, University of Michigan-Dearborn and the University of Michigan. There were two community college projects in the recommendation. No word at this time whether the Legislature is willing to pass a Capital Outlay budget.

Presidents Council/Dykema Legislative Reception

The Presidents Council held its annual legislative reception on February 24th, at the offices of Dykema. Many university Presidents and State Relations Officers were in attendance. Vice President Lindsey and State Affairs Director Bird attended this event. The legislative turn out for the reception was good.

Requiring Universities to Provide Credit for Prior Military Training

Rep. Holly Hughes (R-White River Twp.) has introduced legislation that would require universities to provide credit for prior military training.

Mike Boulus testified recently before the House Military and Veterans Affairs Committee on House Bill 4060. He stated that the Presidents Council was neutral on the legislation because he believed that all 15 of the state's public universities already comply – as required by the U.S. Veterans Administration.

Governor's New Education Advisor

Karen McPhee, superintendent of the Ottawa Area Intermediate School District, was recently named by Governor Rick Snyder's as his new senior education policy adviser. She will replace Craig Ruff who retired earlier this year. At this point, it appears that she will mostly advise the Governor on K-12 education matters. Jim Spaniolo and John Walsh will continue to be the individuals who will handle higher education for the Governor.

Detroit Legislative Breakfast

On Monday, March 9, 2015, the Division of Government & Community Affairs held a legislative breakfast for Detroit lawmakers to discuss issues of importance to Wayne State and Detroit. Lawmakers in attendance included:

- Rep. Brian Banks
- Rep. Sherry Gay-Dagnogo (and staff member)
- Rep. Fred Durhal (and staff member)
- Sen. Coleman Young (and staff member)
- Rep. Alberta Talabi
- Rep. Leslie Love

Also attending were staff members from the offices of U.S. Senators Gary Peters and Debbie Stabenow.

President Wilson and Associate Vice President for Budget, Planning and Analysis Rob Kohrman both gave presentations on the state budget and the impact the current metrics have on Wayne State. This was followed by a discussion with the legislators and others in attendance on how they can assist WSU in the legislature and how WSU can better partner with the legislators and their initiatives.

WSU Med School Lobby Day

On March 11, the WSU School of Medicine held a lobby day in Lansing.

The 40 medical students split up and met with various lawmakers to discuss two main topics: the need for vaccinations and Graduate Medical Education funding in the state's budget.

Over lunch, the students also heard from three speakers: Reps. Fred Durhal and Brian Banks, and Nick Lyon, Director of the Department of Community Health.

Dr. Wilson Lansing Visit

President Wilson visited Lansing on March 18th to talk with state officials about the higher education budget and how it affects Wayne State. The main points Dr. Wilson stressed were that the State needs to have an independent third-party assess the budget metrics and that half of the new funding should run through the base and half through the metrics.

Dr. Wilson met with Reps. Harvey Santana (D-Detroit), Mike McCready (R-Birmingham), Fred Durhal (D-Detroit) and Sens. Morris Hood (D-Detroit), Dave Hildenbrand (R-Lowell) and David Knezek (D-Dearborn Heights). He also talked with Reps. Laura Cox (R-Livonia), Rob VerHeulen (R-Walker) and Sam Singh (D-East Lansing) outside the House chamber.

The President was well received and our suggestions were as well. We are continuing to work with the appropriate members and staff to see that our recommendations may be implemented.

House GOP Leadership Lunch

Kelley Cawthorne hosted a lunch on March 17th for some of their clients to meet with the House Republican Leadership. Lawmakers that attended the lunch were Speaker Kevin Cotter (R-Mt. Pleasant), Al Pscholka (R-Stevensville) and Aric Nesbitt (R-Lawton). Vice President Lindsey attended this luncheon and spoke with the legislators regarding WSU's concerns on the performance metrics and the inequitable restoration of higher education funding under the Governor's funding increases over the past several years.

Sue Snyder Legislative/University Lunch

First Lady Sue Snyder invited representatives from Michigan's colleges and universities to a lunch on March 17th to inform us of her desire to host a summit on the prevention of sexual assault on campuses in the state. State Affairs Director Bird attended this event.

A summit will be held in June in East Lansing and the First Lady would like all campuses involved and asked for our input as to whom should attend and what subjects might be discussed.

Also in attendance at the lunch were many state lawmakers and staff including the legislative co-chairs of the upcoming summit Sens. Tonya Schuitmaker (R-Lawton), Rebekah Warren (D-Ann Arbor) and Reps. Cox and Marilyn Lane (D-Fraser).

We will be working with campus officials to ensure that WSU is participating and well represented at the summit.

Senate Higher Ed Committee

The Senate Higher Education Appropriations Subcommittee met recently and heard from the Presidents of Eastern Michigan University and Grand Valley State University (GVSU).

GVSU once again advocated for more of the Higher Education budget to be put through the metrics while also pressing for changes in said metrics. They also once again pointed out the so-called "per-student" funding disparity between them and WSU.

The Subcommittee also heard a presentation from the Business Leaders for Michigan (BLM).

At the end of the hearing during the Q & A session, the Chair, Sen. Schuitmaker, asked the BLM if the metrics should be changed per the testimony of Dr. Wilson. The BLM responded that they believe the metrics are the right ones and said no change is necessary.

MPHI Board Appointment

A Wayne State faculty member resigned recently from the Board of the Michigan Public Health Institute (MPHI). Nick Lyon, Director of the Department of Community Health, suggested to MPHI that her replacement also be from WSU. We are working with the appropriate individuals on campus to find a replacement.

COMMUNITY RELATIONS

Meeting with Faith-Based Leaders

The Division of Government and Community Affairs coordinated a series of breakfast introductory meetings with President Wilson and local faith-based leaders. The purpose of the meetings is to discuss ways for WSU to improve recruiting and retention of students. The meetings started in the fall of 2014. On March 25, 2015, the fourth meeting in the series took place at Jacob House. In attendance were:

- Wade A. Bell, Sr., Pastor, Deeper Life Gospel Center
- André L. Spivey, Pastor, St. Paul A.M.E. Church and Detroit City Council member
- M. Roy Wilson, President, WSU
- Patrick Lindsey, Vice President, Government and Community Affairs, WSU
- Victor Green, Director, Community Relations, WSU

Wayne Cares Events

Wayne Cares is a university outreach initiative that brings together the university community for the purpose of charitable giving and outreach. Its primary goal is to help university units work together and collaborate with each other for the good of the community.

- “W” Week Community Service Initiatives is scheduled for April 18-24, 2015. Wayne Cares has partnered with WSU Athletics, the Double Tree Hotel, The Westin Hotel and Covenant House for the annual Basic Needs Drive to collect toiletry items for area homeless youth and adults. This year our goal is for WSU student athletes, WSU students and volunteers to distribute 1,000 basic needs kits to the homeless in Cass Park and nearby areas. Last year, we passed out more than 1,000 bags.
- Wayne State will host the 4th annual March of Dimes Walk on campus Sunday, April 26, 2015. March of Dimes’ mission is to improve the health of babies by preventing birth defects, premature birth and infant mortality. The money raised in the March of Dimes walks supports programs to help local mothers experience healthy, full-term pregnancies. The march begins and ends on WSU’s campus at St. Andrew’s Church on Anthony Wayne Drive near Warren Avenue.
- Wayne Cares and Midtown Inc. annual Midtown makeover, Saturday, May 9, 2015.