

## Report from the Office of UW System Federal Relations

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Presented by Kris Andrews, Associate Vice President for Federal Relations, to the Board of Regents

March 7, 2019

Good afternoon. Thank you for having me to talk about the UW System's Federal Agenda for 2019. The agenda is in your packet as approved by your passive review. We had many positive and supportive comments. We appreciate your endorsement.

Our meeting couldn't be more timely. We're expecting President Trump to release his budget next week.

The federal government is a valuable partner to the success of the UW System.

In 2018, the University of Wisconsin received more than \$900 million from federal sources – about equal to what we receive in general purpose revenue from the state. Not factored into that calculation is loan aid from the federal government that 87% of our students use to access and complete their education.

But, we've learned that the President's proposed budget will likely include a 9% cut due to spending caps and an additional 5% cut to non-discretionary funding – which includes funding for things like research and financial aid for students.

In the last budget when the President proposed a similar cut, we, along with our national higher education community, successfully advocated for Congress to instead increase funding for many of the key programs that fund our operations.

With hard work, we can do this again.

So our work in Washington is more important than ever right now.

We recently named a Federal Relations Council to assist with designing and implementing our 2019-2020 strategy. The Council includes representation from every campus and every area of interest – from students, to deans of nursing, teaching, and engineering; from chancellors and other administrators to veterans coordinators and directors of undergraduate and graduate research.

I want to tell you about our progress and goals on four of our six top priorities for the UW System:

- Student aid (access, affordability and completion)
- Innovation
- Research funding
- Campus safety and Title IX

But let me start with a story that I think illustrates the importance of our work.

As you are aware, one of President Cross' top goals is to increase enrollment in our System schools – and that is particularly challenging at a time when our population of young people is shrinking. The number of students graduating from WI high schools has declined by 6,000 in the last decade. (Although if there is a silver lining in these statistics, you may have read in the Wisconsin State Journal this week about data captured by the UW-Madison Applied Population Laboratory. The data shows that for the first time, teen births fell below 4 percent of the total births. That decline in births has been happening over the last 10 years and has really been showing up in our public school populations.)

Still, the decline in WI high school graduates means we need to compete harder than ever if we're going to keep outstanding students here in WI, grow the population of adult student learners, and attract students from around the country and the world.

Last year, one of our institutions worked with a first-generation student from Chippewa Falls, who scored a 33 on his ACT (that's in the top 1%). His name is Dominic. He comes from a family of 5 with an adjusted gross income of \$35,000.

His goal is to become a chemical engineer.

He is exactly the kind of student we want to keep here in WI. And going to a UW institution was high on his list. Unfortunately, we couldn't compete with the funding package he was offered elsewhere.

He is now enrolled at Minnesota.

Student aid from the federal government and the state has not kept pace with inflation over the last decade, and our institutions have had to come up with more money to help bridge that gap and safeguard access to higher education for WI students.

But there's only so much we can do.

We need the federal government to re-invest in our students. Right now, more than \$185 million of federal funding comes to Wisconsin for students primarily in the form of grant and work study aid and more than \$700 million in federal student loan aid. Still, our students have substantial unmet need.

Let me tell you what we're doing on this issue.

In the last session, despite a tough environment and the President's proposed cuts to education, we had some important successes. Let me tell you very briefly about five of them.

- First, we achieved maximum funding for the Pell Grant, which is the single, largest grant program available to undergraduates with need. The UW System has about 34,000 WI

undergraduate students – about 29% of our WI student undergraduate population – receiving Pell Grant funding, so this is a critical issue for us.

- Second, we competitively received over \$12 million in funding for TRIO and GEAR UP programs – two programs that are critical to help ensure that Wisconsin’s neediest students are prepared for college, supported with tutoring and other forms of mentoring, and able to complete their degrees. The budget provided maximum funding for TRIO and GEAR UP, and we’ll continue to advocate strongly for those programs this year.
- Third, Congressman Mark Pocan worked with us to include language in the 2019 Appropriations Bill – language that authorizes the Department of Education to fund campuses for servicing the Perkins Loan.
  - As you know, we have costs associated with administering student loans – and those costs don’t disappear even when the loan program ends, as did the Perkins Program when it was not extended in 2017.
  - We have millions of Perkins loans still out there, and our schools have to service them. The Department of Education is now working on this issue and we hope to see some resolution. We will need to continue monitoring this.
- Fourth, with the help of Congressman Glenn Grothman, we were able to amend the House version of the reauthorization of the Higher Education Act, called the PROSPER Act, with language supportive of UW’s Flexible Option. While PROSPER included our language, it also significantly cut programs our students depend on – so I am happy to say that bill was defeated.
- And fifth, in 2018, we told the Department of Veterans Affairs and our Wisconsin delegation that veterans’ benefits for housing and tuition were being delayed. This was traced back to an update to the VA’s IT system.
  - As a result, legislation passed that created a group of specialists at the VA tasked with fixing the erroneous payments and providing relief to veterans who experienced delays in their benefits.

In this new session, reauthorization of the Higher Education Act, or HEA, is again on the table.

The House and Senate are putting out competing plans, and there will be committee hearings beginning very soon.

We think this may be the year we’ll see a reauthorization, in part because Sen. Lamar Alexander is chair of the Senate committee working on the HEA and he’s announced that he will not seek re-election next year. Reauthorization is a priority to cement his legacy.

Here are a few of the items we're working to include in the reauthorized HEA:

- A simplified Federal Application for Federal Student Aid, or FAFSA, form. There is bipartisan support for this, in part because the cumbersome application deters many students from even applying for aid that would make college more affordable for them.
- A new way to repay student loans. Today there are 9 different ways to pay. This is very important for our graduates to streamline the number of options to repay their loans. 87% of loans received by UW System students originate with the federal government.
- Restoring the annual cost-of-living increase to the Pell Grant. We've been a leading proponent on this issue and this will be a central theme in our meetings in Washington later this month.
- Renewal or replacement of the Perkins Loan program, which expired in fall 2017. When this program expired, it left a \$29 million hole in the budgets of more than 11,000 of our students.

Our message will be simple: The federal government's partnership, that supports student financial aid and workforce development programs, represents a vital investment that makes higher education affordable and accessible for all students and provides a career pathway for Wisconsin's workforce.

We will continue to urge Congress to authorize and appropriate funding for these important priorities.

Turning to innovation in higher education, as the job market becomes ever more fluid, the need for college-educated adults grows. As we are demonstrating through the UW Flexible Option program, with improvements in technology, the functionality of online learning platforms has improved. While everything in the delivery of education is changing, federal law, however, has not. We'll be working to ensure that the law reflects **our** current reality.

The language in federal statutes and regulations still assumes a traditional, classroom-based approach to learning. And financial aid programs still revolve around traditional credit hours, semesters and courses.

This makes it extremely difficult for us to provide financial aid to students in UW's Flexible Option Program, which (as its name suggests) does *not* revolve around traditional credit hours, semesters and courses.

The point of the Flexible Option is to serve students who are working professionals, who want to work on a degree on their own time, at their own pace, and to test out of subjects they already know.

Our program was the first of its kind in the nation adopted by a public institution of higher education, and it's been a model for programs across the country. But the failure to modernize statutes and regulations is holding us back.

Let me give you an example. UW-Milwaukee wants to create a new undergraduate degree in Health Sciences. This is a high-value degree, and one that students have been asking for. In order to incorporate the flexible option, we need permission from the U.S. Department of Education. We submitted the paperwork last June. We've sought status updates multiple times. And the response is that the restructuring of the UW System is bogging things down.

There is no way to explain that response, other than to say it makes no sense.

The Department of Education is now rewriting its rules for accrediting agencies and identifying barriers for competency-based education. We anticipate that they'll finish this work in April. We're watching these discussions closely, and looking for opportunities to provide testimony, as we did when the Department held a hearing in Wisconsin last September.

We're also working to secure an invitation to testify before the House Education and Labor Committee at one hearing that will focus on educational innovation. We have discussed this with our delegation, and they are helping us with that request.

The reauthorization of the Higher Education Act is now five years overdue. Both the U.S. Senate and the House are undertaking significant efforts this year to update the law. As they do that, we will be working with the respective committees to include language that defines competency-based education in federal statute – which is critical to the 37 million people living across America with some credit but no degree, and critical to solving America's future workforce challenges.

Our next priority – research funding.

Federal funding for research and development continues to be the lifeblood of economic growth for Wisconsin and our nation.

In 2018, the UW System received \$600 million from federal sources for research and development, mostly, but certainly not exclusively, to UW-Madison and UW-Milwaukee. Later you will hear from UW's Regent Scholars, some of whom are either doing their work – or hope to do their work – with federal funding.

In the last session, despite deep cuts proposed by the President, Congress gave significant increases to the agencies that provide most of our federal funding – NIH, NSF, the Departments of Agriculture and Energy, NOAA, Sea Grant, and NASA.

We also sought – and received – robust funding for one of our key priorities -- capacity-building. Sen. Tammy Baldwin and her staff worked with us to secure a \$5 million appropriation for the Non-Land-Grant Colleges of Agriculture Capacity-Building Program, which is part of the Farm Bill.

This is a program designed to help develop a skilled workforce in several industries – agriculture, food and renewable resources.

UW-River Falls and UW-Platteville have benefitted significantly with substantial new funding for undergraduate education, research and outreach as a result of this investment.

UW-River Falls, for example, has been able to invest more than half a million dollars in a program to evaluate the benefits (and barriers) to restoring farmland to its native state. This is important to the health of a nearby trout stream that's vital to the local economy.

They've got students working with landowners in the valley to assess what's possible and come up with a plan.

We hope to see more of our campuses starting, and expanding, programs with these funds.

We also secured an important amendment to the Farm Bill to allow universities like UW-Stevens Point to compete for Non-Land-Grant capacity-building funds. In the past, they were excluded from the program because they received other research funds from a program called McIntire-Stennis, which enables forestry research.

President Trump signed that change into law in December.

In the next Congressional session we will work on:

- Opposing proposed cuts to federal R&D funding.
- Supporting investment in capacity-building within the Non-Land-Grant Colleges of Agriculture capacity-building program I mentioned earlier.
  - It was reauthorized in 2018 but has never been funded in the President's budget.
  - It's critical to helping universities that *aren't* research powerhouses to tap into federal funding so they can build research projects that give students a hands-on learning experience.
- We will be advocating for reasonable changes to the Established Program to Stimulate Competitive Research, better known as EPSCoR, to make our System schools eligible for EPSCoR funding.
  - Right now, eligibility is based on a 3-year average of total NSF dollars a state receives, so in states like Wisconsin, with powerhouse research universities that receive major NSF funding, the smaller comprehensive campuses are out of luck.

- We believe reasonable changes can be made to create access for these institutions and bring federal funding to all jurisdictions of Wisconsin.
- Finally, we want to think about ways to promote water research at UW-Milwaukee and more UW campuses.
- The Great Lakes hold 18% of all the fresh water in the world. This is an extraordinarily valuable economic and ecological resource – in fact, fresh water has been called “the new oil.”
  - So we will continue to urge full funding of our existing programs, and think through how we can leverage our water resources to expand education and research in an area that’s going to continue to grow in regional, national and world-wide importance.

Finally, we’re paying close attention to an issue that’s of deep importance to all of our campuses – campus safety and compliance with Title IX requirements.

The U.S. Department of Education has proposed a rule addressing campus safety by clarifying what is required by Title IX.

As you know, the UW System submitted comments regarding that proposal. We believe that Congress can, and will, address some of these Title IX issues through HEA reauthorization.

I’d like to end on a personal note.

Some of you might have seen the Gallup poll that came out in January – it’s the annual poll about America’s most-trusted and least-trusted professions.

Nurses were at the very top – as they are pretty much every year. Trial lawyers didn’t fare quite as well. Members of Congress and media had a pretty dismal showing.

But the very rock bottom of the list is my profession. Only 8% of respondents said they trust lobbyists.

I’ve been fortunate in my career to serve in leadership roles for a Wisconsin governor and two members of Congress. I coordinated a Congressional caucus of 50 Members and helped to start a major foundation.

But nothing in my career has been more satisfying than my 17 years leading Federal Relations for the UW System.

It is truly a privilege to lobby on behalf of a well-regarded System of higher education that is changing lives every day. And it’s enormously satisfying to see us move the needle on some key priorities.

We have an extraordinary team: Jennifer Wickman, special assistant, who also staffs David Brukardt and the REDI Committee; and David Specht-Boardman, government relations specialist, who staffs both state and federal relations, and terrific federal liaisons at each campus.

Over the past year, my staff and I have developed a bimonthly federal newsletter; established the Federal Relations Council and produced this agenda; we have written testimony for hearings before federal agencies and for White House listening sessions; we have analyzed the President's federal budget and the Tax Cut and Jobs Act for impacts on students and institutions.

I travel regularly to D.C. with UW stakeholders and meet regularly with our congressional delegation, staff, and other Members of Congress who sit on influential committees pertinent to UW's agenda. I sit on numerous federal councils to advance UW System's visibility and work.

And, we provide support to campus federal relations activities by meeting regularly with our UW System chancellors, legislative liaisons, public information and research officers and undergraduate research directors to keep them apprised of federal issues and research opportunities.

I am very proud of our small – but fierce team – and grateful for the opportunity to serve this outstanding institution.

I am optimistic that there will be a degree of bipartisan consensus about the future of our country and that many of the proposals that the Federal Relations Council has identified as important to the UW System will find success in the 116<sup>th</sup> Congress.

We hope you'll include your very important voice in advocating for the UW System's 2019 goals and priorities when you get the chance.

And I look forward to having President Behling, President Cross, and many of our chancellors in D.C. at the end of this month to meet with our delegation and their staff about the UW System's Federal Agenda for 2019.

Thank you.