Themes of the Week:
Both state Chambers will be in the capitol this week with lots of hearings and meetings scheduled. The Federal government continues to work on the budget and HEA reauthorization with the outlook changing for both by the hour.

State Happenings

Hearings and Committee Schedules
Both the House and Senate have a lot of hearings and meetings scheduled on various topics. We will monitor these and make sure to update you on those relevant to higher education.

PA Department of L&I Moving Forward with Overtime Rules
Even though the federal government has released their final overtime rules (effective January 1, 2020), Governor Wolf’s proposal heads to a vote at IRRC in order to move forward different parameters for Pennsylvania. Here is a link to the regulation page at IRRC and the regulation itself. The new threshold to potentially qualify for OT exempt status would be $875 per week ($45,500 annually) – an over 92% increase over the current $455 per week ($23,660) – keep in mind there is an automatic escalator and an employee must meet both this salary test and the duties test to qualify as exempt. A readable summary can be found here.

The good news is that the Pennsylvania and Federal threshold is identical ($35,568) through January 1, 2021 — after that, if the Pennsylvania proposal is approved, the threshold goes to $40,550 and in year three (2022), it hits $45,550.
PDE Publishes Guidelines for Student Loan Notification

As you are aware Act 121 of 2018 requires higher education institutions to notify students about their education loans. These duties go into effect beginning in September of 2019 with the first notifications to students occurring no later than July 1, 2020.

The guidelines can be found on the PDE website [here](#).

House Democratic Policy Committee Hosts Hearing at Cabrini

Last week the [Committee](#) hosted the co-chairs of the Student Debt Caucus (Representatives O’Mara and Schroeder) to discuss student debt issues. President of Cabrini, Donald Taylor, provided opening remarks and AICUP’s Tom Foley provided testimony along with several other Higher Education representatives and PHEAA. The [hearing overview](#), including video and testimony, will be posted on the Committee’s site.

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Federal Happenings

HEA Reauthorization

There are now two HEA bills -- one in each chamber. Senator Alexander’s Student Aid Improvement Act ([bill](#), [summary](#), [section-by-section analysis](#) and [news article](#)), and Representative Scott’s College Affordability Act ([bill](#), [fact sheet](#), [section-by-section overview](#), and [news article](#)). It is hard to believe there will be agreement between the two bodies, let alone from the White House. NAICU [Talking Points](#) overviews key provisions that most effect our schools—see especially Free Community College and the requirement for full time staff on Title IX. The House has an aggressive timeline hoping to vote by the end of October. If you can contact your member of Congress before the vote, this [sample letter](#) is cogent and comprehensive.

USDOE Final Overtime Rules Released

The U.S. Department of Labor (DOL) issued its [final rule for overtime pay requirements](#) under the Fair Labor Standards Act increasing the annual salary threshold for white collar exempt employees to $35,568 (from $23,660) and also rescinds the 2016 Rule in its entirety. Employers, including colleges and universities, will have to be in compliance by January 1, 2020. This is slightly higher than the proposal from earlier this year but less than the $47,476 amount proposed during the Obama Administration.

The new rule makes no changes to the duties test for exempt employees. In addition to increasing the salary threshold, the final rule raises the total annual compensation level for highly compensated employees to $107,432 (from $100,000). In recognition of changing pay practices, this annual raise will allow employers to use nondiscretionary bonuses and
incentive payments to satisfy up to 10 percent of the standard salary level. The rule indicates that measures will be taken by DOL to update and adjust the salary threshold going forward, but does not include details on how that will be administered.

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