Themes of the Week:

Weekly Yearly Wrap Up:

The House and Senate wrapped up their session days for 2019 this week leaving some open items until they return in January.

State Happenings

Minimum Wage and Overtime Exemptions
The Governor and Senate have already signed off on a compromise **SB 79** which would discard the proposed PA Overtime Rule in favor of minimum wage increases up to $9.50 an hour (within two years). That compromise awaits action in the House (which has five voting days scheduled for January). The Department of Labor and Industry pulled the reg when the compromise was proposed and has now asked that it be rescheduled for a vote at IRRC on January 31st. If the bill moves in the House, it is expected that the regulation will again be pulled from the IRRC Agenda.

Charitable Gift Annuity Exemption Act Amendment
**HB 1769** (Mackenzie) was voted out of committee unanimously this week and had first consideration on the House floor. This bill would allow charities to transfer their risk to a commercial insurance company which will match substantially all future payments of the charity arising from a charitable gift annuity contract obligation.

Cyber Security Coordination Board
**HB 2009** (Kenyatta) was voted out of committee unanimously this week and had first consideration on the House floor. This legislation creates a system to streamline cybersecurity measures across all Commonwealth agencies and branches by creating the Cybersecurity Coordination Board. This board will protect the Commonwealth’s data by
conducting cybersecurity audits, improving security and privacy standards and working with businesses and higher education to promote effective cybersecurity measures.

Federal Happenings

Budget Deal
The Federal Government has reached a deal for fiscal spending. The House voted out H.R. 1865 this week and it is expected that it will be sent to the desk and signed this week to avoid expiration of the stop gap bill. Details of the proposal can be found [here](#) and a quick overview shows that the legislation includes the following:

- Pell Grant increase by $150, to $6,345
- SEOG increase by $23 million, to $865 million
- FWS increase by $50 million, to $1.2 billion
- TRIO increase by $30 million, to $1.1 billion
- GEAR UP increase by $5 million, to $365 million

Tax Package
Good news on the tax front…Congress has made a deal to repeal several problematic requirements including the:

- **Kiddie Tax** – this part of the 2017 tax reform bill changed the tax rates to those used for trusts or estates for income held by Gold Star families of deceased service members and room and board amounts students receive as a scholarship or grant, which more than doubled the tax liability

- **Parking Tax** – this tax was initiated to tax parking benefits for employees and the legislation will repeal the tax retroactively meaning organizations will get the amount that they paid back but are still out the administrative costs incurred

- **Cadillac Tax** – this tax on premium health insurance plans was scheduled to effect January 1, 2020.

Foreign Gift Reporting
Federal Register published the notice on Section 117 Reporting of Foreign Gifts and comments are due December 27, 2019. ED is asking OMB for January 2, 2020 approval for the new reporting.
Athlete Compensation
A bi-partisan group has formed to discuss athlete compensation with the NCAA in order to find agreement on how to handle it nationally. According to reports, NCAA President Mark Emmert, Senator Mitt Romney and Senator Chris Murphy agree that some type of standard is needed at a national level for college athlete compensation. A small group met this week but have yet to come up with a plan and it is expected that the meetings will run into 2020. AICUP will be encouraging state legislators to follow the national lead on this issue.

Save the Date
AICUP will be on the Hill April 7, 2020 –

Hope you can join us to advocate for independent nonprofit colleges across Pennsylvania! This year we expect over 45 schools and 300 students to attend!

Check out details on our Speech Contest in partnership with PHEAA here

Nichole F. Duffy
Vice President of Government Relations
Association of Independent Colleges & Universities of Pennsylvania
101 North Front Street
Harrisburg, Pennsylvania 17101-1405
717.232.8649x227
www.aicup.org