



August 15, 2013

Federal Update

Congress began their summer recess on August 5th and will return to work in Washington, DC on September 10th.

Student Interest Rate Bill Signed Into Law

After months of deliberation, H.R. 1911, the Bipartisan Student Loan Certainty Act of 2013, was signed into law by President Obama on August 9th. For Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans issued to undergraduate students the interest rate is equal to the high yield of the 10-year Treasury bond note plus 2.05 percent and is capped at 8.25 percent. For Graduate Stafford loans the rate is equal to the high yield of the 10-year Treasury bond plus 3.6 percent and is capped at 9.5 percent. For Federal Direct PLUS Loans the rate is equal to the high yield of the 10-year Treasury bond note plus 4.6 percent and is capped at 10.5 percent. The new interest rates apply to loans where the first disbursement is made on or after July 1, 2013 and all interest rates will be fixed for the life of the loan.

Under the new law, nearly 11 million borrowers will see their interest rates decrease on new loans made after July 1, 2013. About 8.8 million undergraduate borrowers will see their rates on new loans drop from 6.8 to 3.86 percent, and about 1.5 million Graduate Unsubsidized Stafford borrowers will see their rates drop on new loans from 6.8 percent to 5.41 percent. And over 1 million Federal Direct PLUS borrowers will see their rates on new loans drop from 7.9 percent to 6.41 percent, which is the first interest rate reduction in years.

The Senate's Reauthorization of the Workforce Investment Act

On July 31st the Senate Health, Education, Labor, and Pensions (HELP) Committee passed S. 1356, the Workforce Investment Act of 2013 by Senator Patty Murray (D-WA). The HELP Committee, in an 18 to 3 vote (with one abstention) reported favorably to the bill, but numerous Senators indicated they would have amendments once it reaches the Senate floor. This bill focuses on effective use of real-world data, performance indicators, and stringent assessments and evaluations to determine the impact of workforce investments. It also restructures state and local Workforce Investment Boards (WIB) by making state WIB seats optional and unlike the House's SKILLS Act, it would keep the community colleges seat on the boards. The Senate bill also closely aligns workforce systems with regional economic development and labor markets. In doing so, it would reauthorize the Community Based Job Training Grants program, which would provide competitive grants to support community college partnerships that train individuals in high-demand industry sectors and occupation.

Although S. 1356 has earned support from a wide range of businesses, labor, and education organizations there is opposition from numerous disability advocate groups. This bill also reauthorizes the Rehabilitation Act, which includes vocational rehabilitation programs and sets unfavorable limitations contained within Section 511 of Title V. Specifically, disability advocate groups are opposed to the language inferring that rehabilitation agencies place workers with

disabilities in subminimum-wage employment. They are also opposed to Senator Lamar Alexander's amendment to move the Rehabilitation Services Administration (RSA) from the Department of Education to the Department of Labor. This is based on the reasoning that the RSA serves people with disabilities from childhood to adulthood, so it should remain within the jurisdiction of the Department of Education. Currently there is not a set date for this bill to be heard on the Senate floor.

Other Congressional Community Colleges Bills of Interest

H.R. 357: GI Bill Tuition Fairness Act of 2013

This bipartisan legislation introduced by Representative Jeff Miller (R-FL), Chairman of the House Veterans Committee, and ranking member Representative Mike Michaud (D-ME), would require courses of education provided by public institutions of higher education that are approved for purposes of the educational assistance programs administered by the Secretary of Veterans Affairs to charge veterans tuition and fees at the in-state tuition rate. This bill was amended in the House Veterans' Affairs Committee and is now on the House Union Calendar. The Senate has an identical version of this bill, S. 257 by Senator John Boozman (R-AR) which is currently being heard in the Senate Committee on Veterans' Affairs.

H.R. 359: CAMPUS Safety Act of 2013

This bill, introduced by Representative Robert Scott (D-VA) would establish and operate a National Center for Campus Public Safety. The Center would: (1) provide quality education and training for public safety personnel of institutions of higher education and their collaborative partners, including campus mental health agencies; (2) foster quality research to strengthen the safety and security of institutions of higher education; and (3) serve as a clearinghouse for the identification and dissemination of information, policies, protocols, procedures, and best practices relevant to campus public safety, including off-campus housing safety, the prevention of violence against persons and property, and emergency response and evacuation procedures. This bill is in the House Judiciary Committee and was referred to Subcommittee on Crime, Terrorism, Homeland Security, and Investigation.

H.R. 803: The Support Knowledge and Investing in Lifelong Skills Act (SKILLS Act)

H.R. 803, also known as the SKILLS Act relates to statewide and local workforce investment systems and activities, identification of eligible training services providers, and use of funds for employment and training activities. As for community colleges, this bill would facilitate greater collaboration with community colleges by allowing states to determine the standards required for eligible training providers and allows local boards to contract with community colleges directly to provide training to large groups of participants instead of on an individual basis. H.R. 803 would also consolidate 35 existing streams of funding into a single Workforce Investment Fund. This Republican bill, introduced by Representative Virginia Foxx (R-NC), passed out of the House Education and Workforce Committee with a 23-0 vote. The Democrats left the hearing early in protest from not being included in the drafting of the bill, so none of the Democrats voted. This bill passed on the House floor with a 226-191 vote.

H.R. 1949: Improving Postsecondary Education Data for Students Act

Representative Luke Messer (R-IN) passed this piece of legislation in the Senate on May 23, 2013. It would direct the Secretary of Education to convene the Advisory Committee on Improving

Postsecondary Education Data to conduct a study on improvements to postsecondary education transparency. Specifically, the task force will explore factors that students and families have, want, and need when researching their postsecondary education options. This bill is being considered in Senate Health, Education, Labor and Pensions Committee.

H.R. 2637: the Supporting Academic Freedom Through Regulatory Relief Act

On July 24, 2013 H.R. 2637 by Representative Virginia Foxx (R-NC) was amended in the House Committee on Education and the Workforce. This bill repeals: 1) the gainful employment regulation; 2) the state authorization regulation, which forces states to follow federal requirements when deciding whether to grant an institution permission to operate within the state; and 3) the credit hour regulation, which establishes a federal definition of a credit hour and increases the government's control over institutions' academic affairs. In addition, the bill amends the incentive compensation regulation to ensure third-party service providers are allowed to enter into tuition sharing agreements with nonprofit colleges and universities to aid in the development of distance education platforms. It would also prohibit the Department of Education from issuing related regulations until after Congress reauthorizes the Higher Education Act.

S. 3: Strengthen our Schools and Students Act

Introduced on January 22, 2013 by Senator Harry Reid (D-NV) Senate Bill 3, among other things, would build on recent efforts to continue to make higher education more affordable and to improve access and success for all students. It would also provide all teachers with the support they need to ensure student success, including the creation of a new national Science, Technology, Engineering, and Mathematics (STEM) Master Teacher Corps to recognize and help retain STEM teachers and strengthen STEM education in public schools in the United States. This bill is in the Senate Health, Education, Labor and Pensions Committee.

S. 216: Tyler Clementi Higher Education Anti-Harassment Act of 2013

Senator Frank Lautenberg (D-NJ) introduced Senate Bill 216 on February 4, 2013 which would prevent harassment at institutions of higher education. It would authorize the United States Secretary of Education to award grants, on a competitive basis, to eligible entities to enable them to carry out authorized activities such as counseling or redress services to students who have suffered from harassment or students who have been accused of subjecting other students to such harassment; or to educate or train students, faculty, or staff of institutions of higher education about ways to prevent harassment or ways to address such harassment if it occurs. This bill is waiting to be heard in the Senate Health, Education, Labor and Pensions Committee.