



December 19, 2013

**Bipartisan Budget Deal Reached, President to Sign**

Following a vote of 332 to 94 in the House, the Senate voted 64 to 36 to pass H.J.Res. 59, the bipartisan budget agreement that sets funding levels for FY 2014 and 2015, and partially replaces funds cut due to sequestration. The current funding agreement expires on January 15<sup>th</sup>, and a new deal was needed to avoid another government shutdown. The budget deal restores \$63 billion in funds reduced by sequestration - \$45 billion for FY 2014 and \$18 billion for FY 2015. Overall funding levels for FY 2014 will be set at \$1.012 trillion. For non-defense discretionary spending the budget agreement provides an additional \$24 billion over FY 2013 post-sequestration levels restoring approximately 87% of funding. In order to provide this partial restoration, the budget agreement makes a number of offsets including, savings generated by lowering the reimbursement for guaranty agencies that rehabilitated loans under the old Federal Family Education Loan Program, and eliminating mandatory spending for payments to non-profit student-loan servicers. Those loan services payments will now be distributed through discretionary funds in the same manner as other student-loan servicers.

After passing the Senate, H.J.Res. 59 was sent to the President's desk for his signature. Once the agreement is signed into law, the appropriations committee will set its subcommittee allocations. From these allocations, the committee will develop an omnibus appropriations bill to fund the remainder of FY 2014. Individual programmatic funding levels will be determined within the omnibus appropriations bill.

**Negotiations Over Gainful Employment Regulations Stall**

On December 13<sup>th</sup>, the U.S. Department of Education concluded the negotiated rulemaking process to develop standards for vocational programs preparing students for "gainful employment in a recognized occupation." As defined by statute, the majority of gainful employment programs that exist today are offered by the nearly 1,200 community and technical colleges across the United States.

While the negotiated rulemaking committee failed to reach consensus, a number of modifications were made to the draft rules in response to questions and concerns from negotiators and representatives of affected institutions and programs. The latest draft rule included two measures to determine a program's Title IV federal aid eligibility, including students' debt-to-earnings and program-level cohort default rates. Of the 11,735 programs that would be subject to the debt measures in the current proposal, a total of 1,496 programs in all sectors of higher education are projected to "fail" based on the one year of data analysis provided by the Department. Of those failing programs, 53 are community college programs. Many thousands more programs would not meet data validity thresholds necessary to be subject to the debt measures, but would still need to fulfill reporting and disclosure requirements.

Given that no consensus was reached, the Department will now independently finalize the gainful employment rule, which they are expected to release sometime in early 2014.

### **Federal Advisory Committee Recommends Extension of ACCJC**

On December 13, 2013, the National Advisory Committee on Institutional Quality and Integrity (NACIQI) recommended that the U.S. Education Department extend its recognition of the Accrediting Commission for Community and Junior Colleges (ACCJC) for one year, and required the agency show that it is complying with federal standards. Assuming the US Department of Education accepts the NACIQI's recommendation, continued recognition of ACCJC will be final upon action by the Department of Education, which is required within 90 days of the NACIQI's action.

The accreditor has been under fire for its decision this year to revoke accreditation of City College of San Francisco. The issue before the NACIQI was whether the ACCJC was meeting the federal standards for accreditors. US Department of Education staff, and the advisory panel raised concerns on a range of issues, including how ACCJC reviews colleges, the composition of its site review teams, and whether the accreditor's policies enjoyed "wide acceptance" of the education community. In its recommendation, the advisory panel said that the accreditor should be required to produce a report over the next year demonstrating its compliance with the identified problems.

### **White House Skills Summit**

The White House has re-scheduled its Skills Summit from December to sometime in January. The purpose of this Summit is to ensure that disadvantaged students are being reached early enough to succeed in college and career. First Lady Michelle Obama's policy role in higher education includes an emphasis on low income students from underrepresented communities, with remediation and counseling being part of the plan to increase student success. The First Lady is also interested in a phenomenon known as "undermatching", when high-achieving low-income students don't apply to the competitive colleges where they would likely be accepted.

### **President Obama's College Affordability Proposals**

One of the main pieces of the Obama Administration's higher education plans is the development of a new college ratings system. The details are currently being refined with the Department of Education. The ratings will assess institutions and advance institutional accountability while also enhancing consumer useful information. Using data such as:

- Access, such as percentage of students receiving Pell grants;
- Affordability, such as average tuition, scholarships, and loan debt; and
- Outcomes, such as graduation and transfer rates, graduate earnings, and advanced degrees of college graduates.

The Obama Administration has begun to gather input from stakeholders across the country. They have posted Requests for Information in the Federal Register as well held public forums. On December 16, a forum was held at UC Davis sponsored by the U.S. Department of Education and Congressman John Garamendi and Congressman Ami Bera. The major focus was the college rating system that the Obama Administration is proposing. Los Rios Community College District Chancellor Brian King represented the community college system at the forum.

## **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 and is now in the Senate Committee on Health, Education, Labor and Pensions.

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

This bill, sponsored by Representative Luke Messer (R-IN) passed out of the House and was referred to 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 the Senate Committee on Health, Education, Labor and Pensions.

**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. This bill was amended in the House Committee on Education and the Workforce on September 10, 2013, and was placed on the House Union Calendar.

**S. 3: Strengthen our Schools and Students Act**

Introduced on January 22, 2013, by Senator Harry Reid (D-NV), Senate Bill 3 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 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. The House version of this bill is H.R. 482 and is currently in the House Subcommittee on Higher Education and Workforce Training.

**S. 1356: The Workforce Investment Act of 2013**

This bipartisan bill, introduced by Senator Patty Murray (D-WA) and Senator Johnny Isakson (R-GA) on July 31, 2013, is the Senate's version of reauthorizing the Workforce Investment Act. The 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 (H.R. 803) 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.

**S. 1356 was approved by the Senate Committee on Health, Education, Labor and Pensions on November 10<sup>th</sup> and will next be up for a vote on the Senate floor.**