Federal Update

Sequestration

In August 2011, as part of the Budget Control Act of 2011 (BCA), bipartisan majorities in both the House of Representatives and Senate voted for sequestration as a mechanism to compel Congress to reduce the federal deficit by $1.2 trillion over the next 10 years. The threat of destructive across-the-board cuts under the BCA was intended to drive both sides to compromise. A year and a half later Congress and the President failed to agree on balanced deficit reduction legislation to avoid sequestration.

As a result of the Congress's failure to act, sequestration went into effect on March 1, 2013 forcing the President to issue a sequestration order canceling $85 billion in budgetary resources across the Federal government for the 2013 fiscal year. The Office of Management and Budget calculates that over the course of the fiscal year, which ends on September 30, the sequestration requires a 7.8 percent reduction in non-exempt defense discretionary funding and a 5 percent reduction in non-exempt nondefense discretionary funding.

Higher education will feel the impact the most in the areas of research funding, student aid, and other specified grant programs. Although the Pell Grant program is exempt from sequestration for the 2013-14 fiscal year, other student aid programs will be reduced by approximately 5.1 percent. The federal student aid programs include: the Federal Supplemental Educational Opportunity Grant programs, the Federal Work-Study Program, TRIO programs, and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). Combined, these programs would be cut approximately $146 million.

Other key community college programs that will be affected by the sequester are the Career and Technical Education State Grants, which will be cut $56,253,000 and WIA State Grants, which will be cut $130,962,000. All programs administered by the Department of Veterans Affairs are exempt from sequestration cuts.

On March 20, 2013 the Senate approved legislation, H.R. 933 that prevents a government shutdown and allows the upper chamber to begin work on passing a budget. The Senate approved a $984 billion continuing resolution that keeps the government funded through the end of the fiscal year. The spending bill includes the same funding levels as legislation previously approved by the House, and would keep the $85 billion in automatic spending cuts, so the sequester would stay in place. Although an amendment to restore funding for the Military Tuition Assistance program was approved as part of H.R. 933, which had been suspended under the sequester. The House is expected to approve the bill before adjourning on March 21, 2013.
Workforce Investment Act (WIA) Reauthorization Bills

On February 26, 2013, the Subcommittee on Higher Education and Workforce Training held a hearing on the urgent need to strengthen the federal workforce development system. Members discussed a number of legislative proposals intended to address flaws in federal job training policies. One day prior to that hearing, H.R. 803, the Support Knowledge and Investing in Lifelong Skills Act (SKILLS Act) was introduced. This piece of legislation 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. Although the Democrats left the hearing earlier in protest from not being included in the drafting of the bill, so none of the Democrats voted. This bill also passed on the House floor, so it is now being considered in the Senate Health, Education, Labor and Pensions Committee.

Organizations such as the National Skills Coalition, the American Association of Community Colleges (AACC) and the Association of Community College Trustees (ACCT) have voiced opposition to certain provisions of H.R. 803. The National Skills Coalition has stated that by combining the funding stream, worker and businesses will not be better served unless they are guided by an effective set of principles and practices necessary for improving alignment and integration across the federal workforce development system. AACC and ACCT are concerned with the proposed reorganization of the state and local Workforce Investment Boards (WIBs) structure. The SKILLS Act would make community colleges optional members of the WIBs. By making community colleges “optional” members, there is a possibility of having no representation on WIBs thereby not having a say in how to direct local, state, and federal funding for workforce development programs and other WIB-related functions.

The Democrats introduced a competing bill to reauthorize the Workforce Investment Act, H.R. 798, the Workforce Investment Act of 2013 by Representative John Tierney (D-MA). This bill reauthorizes the Workforce Investment Act of 1998 to strengthen the United States workforce investment system through innovation in, and alignment and improvement of, employment, training, and education programs, and to promote national economic growth. Unlike H.R. 803, this bill does not consolidate funding streams, it maintains the community college representation on WIBs, and it authorizes President Obama’s proposed $8 billion Community College to Career Fund.

Although AACC and ACCT support many aspects H.R. 798, they stated concerns regarding the additional requirement that training providers report on program participants that enter unsubsidized employment in a field that is related to the program. They feel as though available
data sources such as unemployment insurance wage records often do not contain the level of
detail necessary to fulfill this requirement, so alternative methods of obtaining this information
will potentially be very burdensome for training providers. Currently, H.R. 798 is in the House
Education and the Workforce Committee awaiting to be heard.

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 is
currently in the House Veterans' Affairs Committee awaiting to be heard.

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 waiting to be heard in the House Judiciary Committee.

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 on its second read 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 on its second read in the Senate Health, Education, Labor and Pensions
Committee.