



National Association of Colleges and Employers

Federal Update

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National Association of Colleges and Employers
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Immigration

The Presidential immigration Executive Order directs Federal Agencies to emphasize border security and deemphasize the deportation of up to 4 million unauthorized immigrants. Some will be allowed to apply for work permits but not Obamacare. Undocumented parents of US Citizens and permanent residents will have three years of deportation relief. DACA, the program provided for children in 2012, will be revised to provide three years of relief for DACA applicants who arrived before January 1, 2010. Some visas will also be allowed for those in high-tech fields and those contributing economically.

In the last Congress, the Senate passed a comprehensive immigration bill. The House passed out of Committee a series of bills. While immigration is still on the Agenda, politics of bill passage versus Presidential orders are standing in the way of next steps. The Presidential Executive Order is being challenged in the courts and the annual funding bill for the Department of Homeland was passed on March 3, 2015. There had been some who proposed prohibiting the Presidential Executive Order in the annual funding bill, however, a so-called clean bill was passed.

Higher Education Reauthorization Bill and Other Higher Education Policy Issues

Cromnibus Bill or funding for Fiscal Year 2015 (10/1/2014-9/30/2015)

College Ratings: Language is not included to change the President's proposal. The \$10 million request by President Obama to help produce the ratings was not funded. The bill, however, also does not prohibit the Department from moving forward with the ratings system. Current Senate Health Education Labor and Pensions (HELP) Chairman Lamar Alexander (R-TN) had wanted language included to block the production of the ratings system.

Two new programs are funded in the legislation:

- **National Center for Information and Technical Support for Postsecondary Students with Disabilities:** \$2.5 million is provided to help students transition between high school and college and train faculty and staff on how to best serve and accommodate disabled students.
- **Centers of Excellence for Veteran Student Success:** \$5 million is included to re-fund a program that has been unfunded since 2010 focused on providing services for student veterans on college campuses.

Workforce/Training

- **Workforce Investment Act Training and Employment Formula Grant Program:** The agreement provides \$2.6 billion, \$36 million above last year's level, and raises the Governor's set-aside to ten percent.
- **Employment Training Administration:** \$9.7 billion is included for the ETA, a decrease of \$651 million from the fiscal year 2013 enacted level.
- **Job Corps:** \$1.7 billion in level-funding is included to help unemployed, young Americans receive education, job training, and employment assistance.
- **Veterans Employment and Training Service (VETS):** \$270 million is included in the final agreement for VETS, which is \$458,000 above the fiscal year 2014 enacted level. This includes \$14 million for the Transition Assistance Program to help new veterans receive training for civilian employment and job search assistance.

President Obama's Fiscal Year 2016 Federal Budget Proposal

The President introduced the budget proposal on February 2, 2015. The budget would cover the Fiscal Year 2016 budget proposals. The budget is a blue print that the President recommends; the Congress will dispose.

The FY2016 budget would provide \$146 billion for research and development (R&D) government-wide, an increase of \$7.6 billion, or six percent. Within the overall total, basic research would increase by \$831 million, or three percent, to \$32.8 billion, while applied research would increase by \$1.2 billion, or four percent, to \$34.1 billion.

Presidential FY 2016 Budget—STEM and Other Higher Education Issues

The President's 2016 Budget invests more than \$3 billion, an increase of 3.6 percent over the 2015 enacted level, in programs across the Federal Government on STEM education. The 2016 Budget includes critical investments in a number of areas that will benefit students:

- Supporting more STEM-focused high schools, with a new \$125 million competitive program at the Department of Education (ED) to help communities across America launch Next-Generation High Schools that will be laboratories for cutting-edge STEM teaching and learning.
- Preparing excellent STEM teachers, with \$100 million in the 2016 Budget for high-quality teacher preparation within ED's new Teacher and Principal Pathway's program with a priority for STEM teacher preparation programs that make progress on the President's goal of preparing 100,000 excellent STEM teachers.
- Improving undergraduate STEM education, with the National Science Foundation (NSF) investing \$135 million to improve retention of undergraduate STEM majors and improve undergraduate teaching and learning in STEM subjects to meet the President's goal of preparing 1 million more STEM graduates over a decade.
- Investing in breakthrough research on STEM teaching and learning, with up to \$50 million for the Advanced Research Projects Agency- Education (ARPA-ED), allowing ED to support high-risk, high-return research on next-generation learning technologies, including for STEM education.

The budget focuses investment on the five key areas identified in the Federal STEM Education 5-Year Strategic Plan: K-12 instruction; undergraduate education; graduate education; broadening participation in STEM education and careers by women and minorities traditionally underrepresented in these fields; and STEM education activities that typically take place outside the classroom.

The President's Education budget includes a number of new initiatives.

- **New Initiative:** The budget request includes \$1.36 billion in funding in 2016, a \$60.3 billion investment over 10 years, for the President's signature initiative, **America's College Promise**. The initiative would provide two years of free community college for responsible students.
- **Pell Grants:** The Administration seeks to assure that the Pell Grant maximum continues to rise yearly with inflation beyond 2017, when the current link to inflation expires. This extension of inflationary increases will cost approximately \$30 billion over 10 years. For the 2016-2017 school years, the Administration expects an estimated total maximum Pell Grant award of \$5,915, an increase of \$140 from the current level, with the increase coming solely on the mandatory side with the discretionary request remaining flat at \$4,860.
- **FAFSA Simplification:** The Administration is recommending a simplification of the Free Application for Federal Student Aid (FAFSA) form by proposing the elimination of up to 30 questions related to non-IRS collected information on assets and investments. This is an area of interest to members on both sides of the aisle.

- **Pay-As-You-Earn (PAYE):** To help borrowers manage their debt, the Administration once again proposes to extend Pay-As-You-Earn (PAYE) to all student borrowers and streamline the current program into a single income-driven program.
- **College Opportunity and Graduation Bonus program:** The Administration, as they did in the FY2015 budget, proposes the College Opportunity and Graduation Bonus. The program which would be funded at \$7 billion in mandatory funding over 10 years, to reward colleges that enroll and graduate low-income students and encourage all colleges to improve performance. \$647 million is requested in FY2016 for this program.
- **Government Performance and Results Act (GPRA) Data/Higher Education Act (HEA) Program Evaluation:** \$30 million is included in the budget to support the collection and analysis of performance data and the evaluation of Higher Education Act programs that either lack funding set-asides to conduct these activities or where such set-asides are not sufficient to cover the costs of the 10 activities. The Department would use \$29 million to conduct research, evaluations, and demonstrations to test approaches for promoting postsecondary access, program completion, and high-quality, affordable education programs and \$1 million for activities to improve Higher Education program data quality and performance measurement.
- **Career and Technical Education (CTE) State Grants program (\$1.3 billion).** The President's budget would support the first year of activity under a reauthorized Carl D. Perkins Career and Technical Education Act.
- **New Initiative:** American Technical Training Fund: \$200 million is proposed for a new Career and Technical Education (CTE) Innovation Fund, a joint effort with the Department of Labor, to support and expand innovative, high quality technical training programs that use evidence-based practices, have strong employer partnerships, include work-based learning opportunities, provide accelerated training, and are scheduled to accommodate part-time work. Programs would be designed to help high potential; low-wage workers gain the skills for employment in growing fields with significant numbers of middle-class jobs that local employers are trying to fill such as energy, information technology, and advanced manufacturing.

Department of Education Ratings System — Call for Comments

The President directed the U.S. Department of Education to develop and publish a new college ratings system by the 2015-16 school year that would expand college opportunity by recognizing institutions that: excel at enrolling students from all backgrounds, focus on maintaining affordability, and succeed at helping all students graduate.

In response, the Department set out to design a ratings system that is clear, fair, and focused on a few key critical measures of institutional performance, while accounting for the diversity and complexity of the nation's rich system of higher education.

Based on extensive consultation with stakeholders and experts, the Department has now released a draft framework for the ratings system for further public comment. We will continue to refine the ratings system over time based on user and institutional experience, input from the field, and the availability of additional data.

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Note: Comments were due on February 17, 2015, and NACE has submitted comments. (A copy of the comments is available at www.naceweb.org/advocacy/recent-activity.aspx.)

Supporting Regulatory Freedom Through Regulatory Relief Act

In February, Reps. Foxx (R-NC), Hastings (D-FL), Kline (R-MN) and Salmon (R-AZ) introduced the Supporting Academic Freedom through Regulatory Relief Act (HR 970) in the House to repeal the definition of a credit hour, state authorization, gainful employment, college ratings, and teacher preparation regulations. The bill explicitly prohibits the Department from ever regulating on college ratings and credit hour. Senator Burr introduced companion legislation in early March. The following Senators were cosponsors: Sens. Grassley, Isakson, Tillis, Cotton, Hatch, Alexander, Roberts, Fischer, Flake, Scott, Cassidy, Portman, Cornyn, Rubio, Enzi and Murkowski.

ACE and others among the six higher education associations provided support for the bill. In addition after a meeting with Chairperson Virginia Foxx and an Advocacy Committee discussion, NACE indicated to Representative Foxx that we supported the bill and would write a support letter.

The Supporting Academic Freedom Through Regulatory Relief Act

- Repeals the gainful employment regulation, which would levy reporting burdens on community and proprietary colleges and force administrators to seek federal approval before creating programs.
- Repeals the state authorization regulation, which forces states to follow federal requirements when deciding whether to grant an institution – including those offering online education programs – permission to operate within the state.
- Repeals the credit hour regulation, which establishes a federal definition of a credit hour and increases the government’s control over institutions’ academic affairs.
- 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.
- Prohibits the Department of Education from issuing related regulations until after Congress reauthorizes the Higher Education Act.

Higher Education Reauthorization and Other Policy Issues

The House of Representatives Committee Education and Workforce Committees key leadership-Chairman Kline (Full Committee) and Chairwoman Foxx (subcommittee) are aiming to move forward with the Higher Education Reauthorization activities. They hope to have a large bill that will improve transparency for students and streamline Federal student aid. Consideration will also be given to streamlining loan programs and reducing regulatory burden. Prior learning assessments will also be addressed as well as new methods of innovation. The House team is working with Senator Alexander’s staff.

In the Senate, Chairman Alexander plans to hold a round of hearing in April and draft in bill by summer with potential for a vote on the Senate floor in the Fall. The rubric for the bill will include components of the report recently released to address regulatory relief for colleges and universities. White papers are being developed to examine:

- Increasing Affordability and Reducing College Costs for Students by Tackling the Student Loan Crisis;
- Helping Borrowers Better Manage Debt;
- Holding Schools Accountable to Students and Taxpayers ;
- Helping families make informed choices.

Once the papers are completed, hearings will be held and comments will be solicited from the community.



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