



Federal Legislative Issues

February 2018

This summary includes best available information as of February 7, 2018.

For more information about federal issues of importance to the WTCS, contact Monique Currie, Policy Advisory (monique.currie@wtcsystem.edu or 608-266-2449).

The Federal Legislative Environment

Visits with Wisconsin's congressional delegation by representatives of Wisconsin Technical College System (WTCS) during the Association of Community College Trustees / American Association of Community Colleges' National Legislative Seminar (NLS) reinforce the partnership between Congress and career and technical education providers. These partnerships provide skilled labor, generate community-based economic development and provide industry-driven workforce training.

Partisan Division

The 2018 NLS comes at time of great partisan divide in Washington, both between the Republican and Democratic parties and within each party as disparate elements struggle for control. Although predictions that Republican majorities in the House, Senate and the Presidency would result in the passage of considerable amounts of legislation, the opposite has ensued. In addition to partisan divide, some of this can be attributed to the "restrained" nature of the Senate. Under Senate rules, most legislation — with certain exceptions (e.g. budget reconciliation bills) — is subject to a filibuster, which requires 60 votes to overcome. Effectively, this means that unlike the House of Representatives, where legislation can pass with a simple majority, 60 votes are required to pass legislation in the Senate. This is why the tax reform bill was able to pass. As a budget reconciliation bill, it only required a simple majority to pass in the Senate.

The Administration

On Tuesday, January 30, President Trump delivered his State of the Union address. Although he didn't mention higher education specifically, he did call for investing "... in workforce development and job training and open[ing] great vocational schools so future workers can learn a craft...."

Last February, newly confirmed Secretary of Education Betsy DeVos was working to assemble her team at the Department of Education. The U.S. Department of Education has 147 political appointments, 17 of which require Senate confirmation. Since that time, not much progress has been made. The Department has several vacancies among key positions, including the Deputy Secretary and the Assistant Secretary for the Office and Career and Technical Education. Many leadership positions have been filled temporarily with acting staff or career employees who have assumed multiple roles. As an example, the former chancellor of the Pennsylvania State System of Higher Education, Frank Brogan, has been nominated by President Trump to be the Assistant Secretary for the Office of Elementary and Secondary Education and is awaiting Senate Confirmation. In late January, the Department announced that Brogan has also been delegated the duties of Assistant Secretary for Postsecondary Education, where he will supervise the Higher Education Programs, the Office of International and Foreign Language Education and the Office of Policy, Planning and Innovation. And he will continue to serve as the Acting Principal Deputy Assistant Secretary in the Office of Planning, Evaluation and Policy Development.

The Education Department has the smallest staff among the 15 cabinet agencies, and it has gotten even smaller under Secretary DeVos. According to a November 2017 Washington Post article, the Department has shed about 350 workers since December of 2016, or about 8 percent of its workforce, including political appointees. Similar reductions are taking place in other cabinet agencies, reflecting an early pledge by the Administration to shrink the size and reach of the federal government.

Congress

Because of their jurisdiction over several our federal legislative priorities, including the reauthorizations of the Perkins Career and Technical Education Act and the Higher Education Act, the congressional committees most important to career and technical education are:

- *Senate Committee on Health, Education, Labor and Pensions* – Senator Lamar Alexander (R-TN) is chair of the committee and Senator Patty Murray (D-WA) is the ranking member. Senator Baldwin is a member of this committee
- *House Committee on Education and the Workforce* – Representative Virginia Foxx (R-NC) is chair of the committee and Representative Robert “Bobby” Scott (D-VA) is the ranking member. Congressman Grothman continues his assignments on this committee, including the Subcommittee on Higher Education and Workforce Development and the Subcommittee on Workforce Protections.

Dominating Issues

Budget, taxes, immigration and the attempted Obamacare repeal dominated Washington this past year. The Republican-controlled Congress scored a victory in tax reform; less so in its quest to repeal Obamacare, address immigration reform, and pass a comprehensive spending bill for FFY18.

Here’s what transpired so far and what one might expect.

The Federal Budget

The current federal fiscal year, FFY18, began on October 1, 2017 and ends on September 30, 2018. Congress has yet to pass a comprehensive spending bill for FFY18. Instead, the federal government has been operating under a series of continuing resolutions (CRs), which fund federal programs at pre-existing appropriation levels for a set amount of time. The most recent CR began on January 23 and is scheduled to expire on Thursday, February 8.

The government briefly shut down on January 20 for 3 days, when a CR expired before the current one could be voted on and put in place.

Just prior to the shutdown, the Department of Education released a memo with details on how the Department would handle the shutdown. The memo stated that more than 90 percent of its staff would be furloughed during the first week of a shutdown. The memo indicated that those excepted from the furlough included individuals with responsibilities for the payment and support of student financial aid.

Looking ahead, the Administration will most likely release its budget plan for the coming year FFY19 sometime this week. Typically, this document reflects the President's policy priorities. Last year, the President's budget document proposed major reductions in and the elimination of several programs important to WTCS colleges and students. Although it wasn't enacted, the President's budget would have resulted in an overall 5 percent reduction in work study and Pell Grant funds to all Wisconsin students. It also would have resulted in a 9 percent cut to career and technical education funds allocated to our colleges in Wisconsin. The President's budget for FFY18 also proposed large reductions in the TRIO and GEAR UP programs. The TRIO program is a set of eight programs designed to assist low-income individuals, first-generation college students, and individuals with disabilities to progress through the academic pipeline from middle school to post-baccalaureate programs. Last year, four of our colleges received TRIO funds: Madison College, Lakeshore, Moraine Park and Gateway. GEAR UP funds are used to provide colleges scholarships to low income students. Last year, 165 students at 10 of our colleges received GEAR UP scholarships. It is unknown if the President's budget will again propose similar cuts for the FFY19 budget.

Deferred Action for Childhood Arrivals

Closely related to budget negotiations are issues related to immigration reform, especially a legislative fix for the Deferred Action for Childhood Arrivals (DACA) program. DACA is an immigration policy that allows individuals brought illegally to this country as minors to receive renewable two-year periods of deferred action from deportation and be eligible for a work permit.

To be eligible, these individuals must have entered the United States before their 16th birthday and prior to June 2007, be currently in school, a high school graduate or be honorably discharged from the military, be under the age of 31 as of June 15, 2012, and not have been convicted of a felony, significant misdemeanor or three other misdemeanors, or otherwise pose a threat to national security. The program does not provide lawful status or a path to citizenship. It does not provide eligibility for federal welfare or student financial aid.

The policy was established in 2012 under the Obama Administration and subsequently rescinded by the Trump Administration in September of 2017. Under a deadline imposed by the White House, Congress only has until March 5 to preserve the DACA program. (However recent court rulings have challenged this deadline.) Since a permanent solution appears unattainable under an increasingly divided Congress, many are talking about the need for a temporary extension for up to a year, paired with increased funds for border security.

If asked by your member during visits, WTCS has no official position on DACA, specifically or comprehensive immigration reform, more generally. The majority of DACA participants reside in just five states: California, Texas, New York, Illinois, Florida and Arizona. As of 2017, approximately 800,000 individuals were enrolled in the DACA program. It is estimated that less than 1 percent of individual enrolled in DACA reside in Wisconsin. It is not known how many, if any, are enrolled in WTCS colleges.

WTCS Federal Priorities and Messages

Given all that is happening in Washington, one of the most important objectives at your upcoming meetings with members of Congress is to continue to remind them of the importance of career and technical education and share our priorities. Essential messages include:

- importance of federal investments in career and technical education,
- reauthorization of key higher education legislation, and
- the many positive economic outcomes of our colleges: both for our students and Wisconsin's local and regional economies.

Importance of Federal Investments in Career and Technical Education

Remind members that their continued support for existing federal appropriations is vital because the WTCS is part of the solution for continuing to grow Wisconsin's economy as well as address Wisconsin's workforce shortage. Federal appropriations that invest in students and workforce training resulting in a strong Wisconsin economy include those in:

Carl D. Perkins Career and Technical Education Act

- The majority of WTCS Perkins funds are awarded to our 16 technical colleges to help fund programs that provide student support for "at-risk" students (e.g. those with disabilities, military, first generation); promote participation in non-traditional careers, support high school to college transition for CTE students. Over 67,000 students were served with Perkins funds awarded to our colleges last year.

Adult Education and Family Literacy (Title II of the Workforce Investment and Opportunity Act)

- Two programs annually serve over 17,000 adult learners. The funds are distributed to 60 organizations: county jails, literacy organizations, and all 16 technical colleges.

Federal student financial aid provided through the Higher Education Act

- Last year, almost 37,000 WTCS students qualified for \$122.9 million in Pell Grants and nearly 53,000 students took out \$166.8 million in Stafford loans. The "federal assistance expenditures" sheets provided by the System Office at the Wisconsin delegation meeting in Washington show the amount of Pell grants and Stafford loans statewide and by college.

Reauthorization

Reauthorization is still pending for both the Carl D. Perkins Career and Technical Education Act and the Higher Education Act. While the House has taken up reauthorization for both pieces of legislation, it is unknown if the Senate will follow suit this year. Regardless, it is still important to remind members of our priorities.

Carl D. Perkins Career and Technical Education Act (Perkins)

Perkins provides important federal resources to support the career and technical education programs to meet Wisconsin's skilled workforce needs. Accountability and flexibility for Perkins must be balanced so that colleges can best meet local priorities in innovative ways.

Suggested Comments Perkins Reauthorization

WTCS appreciates the strong support for Perkins that it has traditionally received from Wisconsin's congressional delegation, and we hope we can continue to count on that support.

WTCS supports streamlined accountability and program requirements that are aligned with the Workforce Innovation and Opportunity Act rather than the development of separate accountability measures.

WTCS supports last year's Perkins reauthorization bill passed in the House with bi-partisan support (H.R. 2353) "*Strengthening Career and Technical Education for the 21st Century Act.*"

However, WTCS remains concerned that changes in the formula for allocating Perkins basic state grants, as well as the hold harmless provision, would result in a decrease in Perkins funding for Wisconsin. Under H.R. 2353, it is estimated that states with greater increases in population since 1998 would see increases in their Perkins allocation, while those — such as Wisconsin — with smaller population growth would see decreases in their Perkins allocation, despite our current workforce shortage. The legislation also eliminates the existing requirement that prevents states from receiving less than they did in 1998 beginning in FY 2021. WTCS is optimistic that the entire Perkins allocation would be increased such that it would mitigate the effect of these changes on states such as Wisconsin.

When discussing or considering Perkins changes, ask your member to please reach out to the WTCS through the System Office or local colleges to better understand the implications of potential changes. Wisconsin is unique because Perkins basic state grants are shared between the WTCS (55%) and K12 education (45%) so proposed federal changes can sometimes have unanticipated consequences for Wisconsin.

Higher Education Act (HEA)

On December 1, Representatives Virginia Foxx (R-NC) and Brett Guthrie (R-KY), chairs of the House Education and Workforce Committee and Subcommittee on Higher Education and Workforce Training respectively, introduced the Higher Education Act (HEA) reauthorization legislation, H.R. 4508. Entitled the Promoting Real Opportunity, Success, and Prosperity through Educational Reform (PROSPER) Act, it is the first comprehensive reauthorization proposal since 2008. On December 13, the PROSPER Act was amended and voted out of committee on a partisan vote 23-17. All the Committee Republicans voted for the bill, including Representative Grothman; all Committee Democrats voted against the bill. It is unclear if the bill will be scheduled for a vote before the full House anytime soon. HEA governs federal financial aid that is vital to WTCS students.

No HEA reauthorization proposal has yet been introduced in the Senate, although the Senate Health, Education, Labor and Pensions Committee has held several hearings since November on HEA reauthorization topics including FAFSA simplification, improving college affordability and financial aid simplification.

Suggested Comments the PROSPER ACT (HEA Reauthorization)

Positive Provisions

We endorse the many positive provisions that support WTCS students and colleges, including:

- expanding eligibility for Title IV (i.e. federal financial aid) aid to students enrolled in short-term training programs, allowing them to enter the workforce more quickly. The threshold for eligible programs are lowered from 600 clock hours to 300 clock hours or a minimum of 8 semester hours over 10 weeks.
- reinstating Title IV eligibility for students who would qualify for ability to benefit. These are students who don't have a high school diploma or equivalent but have demonstrated their ability to benefit from postsecondary education. Access to Title IV for these students was eliminated in a 2012 funding bill.

We also appreciate efforts in the bill to address the student loan crisis by:

- simplifying student loan repayment options,
- allowing colleges to limit student borrowing – colleges are granted greater levels of flexibility to limit borrowing based on projections of future earnings, credential attempted, enrollment status, etc., and
- replacing the institutional-level default rate with a program-level loan repayment rate. In order to be eligible for Title IV aid, each program would have to maintain a repayment rate of 45 percent or higher.

Provisions of Concern

Certain provisions of the PROSPER Act would have negative consequences for WTCS students and colleges.

Changes to Financial Aid

The PROSPER ACT proposes to eliminate the Supplemental Educational Opportunity Grants (SEOG) and subsidized Stafford Loan Programs, which prevent interest from accruing while qualified, low-income borrowers are in school and completing their degrees.

Message: Last year, nearly 6,500 WTCS students at all 16 of our colleges receive SEOG funds, which are awarded to the neediest of our students. Nearly 33,000 WTCS students received subsidized Stafford Loans last year. Elimination of these financial aid programs will have a profound effect on our students who are much more likely to be independent students responsible for funding their own education and to have dependents of their own. Over one-half of the WTCS students who applied for federal financial aid last year had so few resources, they had a zero-expected family contribution toward their education.

Risk Sharing Provisions

Currently, if a student withdraws prior to completing their semester, some of their financial aid must be returned to the federal government, depending upon when the withdraw occurred.

Current Return of Title IV Funds Provisions

Portion of Term Completed	Repayment Required	Responsibility for Repayment
< 60 percent	portion returned based on withdrawal date	Student**
≥ 60 percent	College may keep aid	

** In many instances the college must pay the students' portion, as they are unable to recoup the funds from the student.

Under the PROSPER Act, the burden of repaying Title IV funds is shifted to the college, and the student is responsible for only up to 10 percent of the amount owed. It also creates several new and narrower repayment tiers.

Return of Title IV Funds Under the PROSPER Act Provisions

Portion of Term Completed	Aid Retained by Student	Repayment Required (i.e. Aid Returned)
0 – 24 percent	0 percent	100 percent
25 – 49 percent	25 percent	75 percent
50 – 74 percent	50 percent	50 percent
75 – 99 percent	75 percent	25 percent
100 percent	100 percent	0 percent

Clearly, the proposed repayment provisions are meant to encourage completion as well as prevent students from gaming the system. While there is certain logic to the repayment proposal,

it is misplaced. It doesn't begin to address the underlying reasons that cause students to drop out, which can include inadequate financial resources, family responsibilities and/or a lack of preparation for college level courses. Many colleges will have no choice but to raise tuition or cut back services in order to meet their repayment obligations. Colleges may also resort to performing risk assessments on students considered likely to drop out, which is in direct conflict with the open access policies of our colleges.

Message: To encourage student completion, the PROSPER Act should eliminate the risk sharing provisions and instead support efforts such as those undertaken by WTCS colleges to reduce dropout rates and improve degree completion, including:

- proactive academic and career advising,
- use of data analytics to identify students at risk for dropping out and align with interventions to help students stay on their pathway, persist and progress, and
- adoption of a career pathway model in which program curriculum is divided into smaller “stackable” certificates that allow students to obtain industry recognized certifications, find employment and return at any time to continue their education (e.g., nursing assistant to RN to BSN).

Disbursement Like a Paycheck

Also of concern are changes to the disbursement of student aid under the PROSPER Act, which varies based on the year of the student receiving aid. First year, first-time borrowers may not receive their first disbursement of aid until 30 days after the student begins a course of study. (This provision would not apply to institutions with repayment rates of greater than 60 percent.) All other borrowers could receive their first payment anytime between 30 days prior to 30 days after the student begins classes. After the first disbursement, institutions must distribute remaining aid in weekly or monthly installments of equal amounts — like a pay check — although here is some flexibility to issue a greater amount in certain installments.

Message: Changes to the disbursement of financial aid, including disbursing student aid like a pay check is untenable for most student budgets, which typically have higher costs at the beginning of a semester. Further, such a system will likely require additional college resources and staff to implement.

Strong Student and Economic Outcomes of the WTCS

Convey that WTCS colleges provide the skilled workforce needed to grow our state and national economy. WTCS colleges issued more than 25,000 degrees and short-term and technical diplomas in 2016 and more than 9 out of 10 graduates are employed within 6 months. The “statewide” and “district profile” sheets provided by the System Office at the Wisconsin delegation meeting in Washington show degrees granted by type along with student characteristics.

Share the steps your college is taking to ensure the credentials that students earn meet workforce needs. For example, you might discuss how your college partners with business and industry to identify and address their need for skilled workers and keep curriculum current.

Brag about the consistently high job placement rates and strong salaries reported by graduates at your college and the consistently high satisfaction rating employers give WTCS graduates. These results for students and businesses reflect the quality of education and training provided by Wisconsin's technical colleges.

Finally, don't forget to extend an invitation to your member and/or their staff to visit your college during their district work periods this spring and summer to experience first-hand how Wisconsin benefits from federal investments in career and technical education.

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Special note for those visiting Senator Baldwin:

- Please thank Senator Baldwin for her leadership in introducing S. 1155, the Working Students Act, which amends the Higher Education Act to increase the amount of financial support available to working students.
- We greatly appreciate her efforts as a co-chair of the Senate Career and Technical Education Caucus to introduce and support legislation related to career and technical education and her recognition of the vital role Wisconsin's technical colleges play in our state.

Special note for those visiting Representative Sensenbrenner:

- Thank him for his leadership in introducing H.R. 2899, the Second Chance Reauthorization Act, which amends the Second Chance Act of 2007 and establishes, among other things, a grant program to improve the academic and vocational education programs (including technology career training) available to offenders in prisons, jails, and juvenile facilities.

Special note for those visiting Representative Kind:

- Thank him for his leadership in introducing H.R. 1286, the Pell Grant Funding Act, which proposes to use any excess revenue generated from the federal direct student loan program to help carry out the federal Pell Grant program.

Special note for those visiting Representative Pocan:

- Thank him for his leadership in introducing H.R. 1614, the Student Loan Refinancing Act, which allows for the modification of interest rates for various federal student loans.
- We greatly appreciate his efforts as a member of the House Career and Technical Education Caucus to introduce and support legislation related to career and technical education.