



# **NCSL EDUCATION COMMITTEE: FEDERAL UPDATE**

**Tuesday, August 9, 2011**

**Lee Posey, Sr. Committee Director**

# Recent NCSL Lobbying Highlights

- **Comments on the Department of Education's regulatory review plan**
- **Letter on Early Learning Challenge grant competition**
- **Conference call with the Department of Education on waivers**

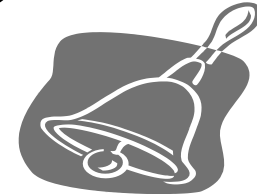
***YOU ARE OUR BEST LOBBYISTS!***



# Federal Education Budget

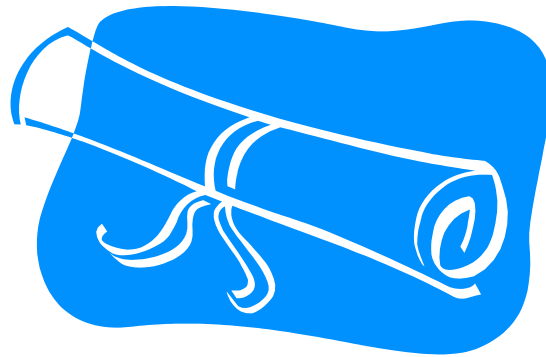
- **The FY 2011 budget deal**
  - Current year spending cut by about \$39 billion (mandatory, discretionary)
  - Included \$12 billion already cut in previous stopgap measures
  - Across the board cuts
  - Education reform measures funded—2<sup>nd</sup> round of Race to the Top
- **The FY 2012 education budget**
  - Labor, Health and Human Services and Education bill traditionally late in process
  - Hearing postponed in Senate 7/26
  - Complex process this fiscal year

# Early Learning Challenge Fund



- **Now Race to the Top (RTTT) dollars, \$500 million**
- **36 states and DC reportedly planning to apply**
- **Award caps from \$50 million to \$100 million (population); consideration for rural areas**
- **Application structure similar to RTTT**
- **Preconditions for applying**

# Department of Education Rules for Post Secondary Programs that Prepare Students for Gainful Employment in a Recognized Occupation



Rules apply to programs eligible to participate in federal student aid programs authorized by Title IV of the HEA. Such programs are offered by public and private not-for-profit institutions of higher education and postsecondary vocational institutions, and by for-profit, proprietary institutions of higher education.

# Regulation Timeline

Program Integrity Rules	Rules establishing performance measures related to gainful employment
Proposed Rules issued 6/18/10	Proposed Rules issued 7/26/10
Final Rules 10/29/10	Final Rules 6/2/2011
Effective 7/1/2011 First report: no later than 10/1/2011	Effective 7/1/2012

# Program Integrity Rules

- **Credit hour definition**
  - Creates a standard definition of a credit hour for federal program purposes and distribution of financial aid (Institutions may continue to set their own standards for their own academic purposes.)
- **State authorization**
  - Clarifies rules regarding state approval and monitoring of postsecondary institutions, including schools that offer distance education
  - The Higher Education Act (HEA) requires state authorization of postsecondary institutions for programs to be eligible to participate in federal student aid

# **Court Ruling 7/12**

- **U.S. District Court for the District of Columbia rules on lawsuit filed by the Association of Private Colleges and Universities**
- **Voided application of state approval rule to on-line programs**
- **Upheld recruiter incentive compensation bar**
- **Upheld provision holding colleges accountable for misrepresenting programs and results**





# **Gainful Employment Rules: Minimum Performance Standards for Institutions Receiving Federal Funding**

- **Loan Repayment Ratio**
- **Debt to Earnings Ratio**
- **Program becomes ineligible after failing to meet the minimum standards for three out of the last four most recently completed FYs**
  - **NPRM had programs ineligible immediately**

# **Gainful Employment Rules: Repayment Rate**

- **Single 35% threshold for eligibility**
  - **NPRM had a restricted zone at least 35% but < 45%**
- **Repayment rate based on borrowers 3-4 years into repayment (2-YP)**
- **For a program whose students have to complete a medical or dental internship of residency, the two-year period is six and seven years (2YP-A)**

# Congressional Reaction to Department's Rulemaking

- **Early efforts**
- **H.R. 2117**
  - **The Protecting Academic Freedom in Higher Education Act**
  - **Repeal credit hour and state authorization of programs of earlier regulations**



# **House Ed & Workforce Committee: reform bill by bill**

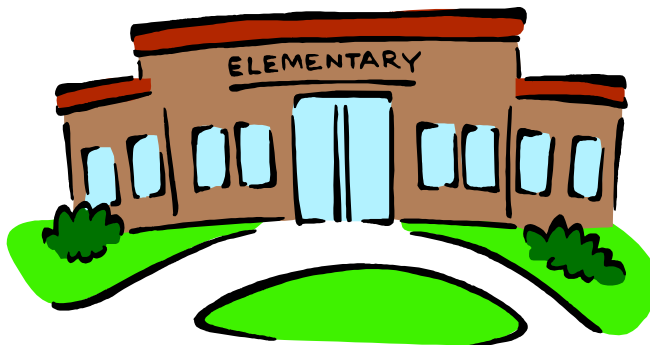
- **H.R. 1891, the Setting New Priorities in Education Spending Act**
  - Passed out of committee May 25 *23-16*
  - Eliminates 42 programs U.S. Dept. of Education
- **H.R. 2218, the Empowering Parents Through Quality Charter Schools Act**
  - Passed out of committee on June 22 *34-5*
  - Allows support for replication of successful charter schools through the federal charter school program
  - Requirements for states

# **House Ed & Workforce Committee: Reform Bill by Bill**

- **H.R. 2445, the State and Local Funding Flexibility Act**
  - **passed out of Committee on 7/13      23-17**
  - **states and districts can rededicate Elementary and Secondary Education Act and the EdJobs Fund dollars for programs they consider beneficial to their students**
  - **includes Title 1 funds**
  - **Preserves existing ESEA monitoring, reporting, and accountability requirements**

# Continuing Interest in Regulatory Reform

- **House Ed and Workforce Chair letter to GAO July 22**
  - **Asks Comptroller General to report on federal requirements on states and LEAs**
  - **Cites Dept. of Ed figure (2008) of 8 million hours to meet Title 1 reporting requirements**



# **ESEA: Secretary Duncan's Plan B: “...relief in exchange for reform”**

- **Possible waivers**
  - 100% proficiency
  - restrictions on spending federal \$s
- **Department's priorities for reform**
  - Charter schools, teacher evaluation tied to student test scores, turn around low-performing schools



# Reaction

More States Defiant on NCLB Compliance  
**Education Week, July 6, 2011**

A Looming Showdown Over NCLB  
**Time, June 16, 2011**

Why Duncan Waiver Proposal Isn't Breaking NCLB Logjam  
**Huffington Post, June 15, 2011**



# **Promise Neighborhoods**

- **Cradle-to-career services to improve educational and developmental outcomes for students in distressed urban and rural neighborhoods**
- **FY 2011 competition \$30 million**
- **Deadline for applying is Sept. 6**

**REMINDER:**

**TOUR OF SAN ANTONIO PROMISE  
NEIGHBORHOOD PROJECT  
TOMORROW AT 10:00!**



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