

2014 Year in Review January 8, 2015

Despite an overall lack of congressional productivity, 2014 was a very busy year for CTE-related policy. The stories below recap the major legislative and regulatory issues of the year, and provide a look ahead to what is in store for 2015.

Fiscal Year 2015 Appropriations

The year started with a large focus on federal funding as Congress wrapped up the Fiscal Year (FY) 2014 appropriations bills following the government shutdown in 2013. In January, Congress passed the <u>final FY 2014 omnibus appropriations bill</u> that included a \$53 million increase for Perkins! The funding boost restored more than 90 percent of the sequester cut for the Perkins Basic State Grant program, increasing funding levels in many states and for many school districts and postsecondary institutions. After this funding victory, focus shifted to FY 2015 appropriations as ACTE worked to restore the remaining sequestration cut.

ACTE advocacy activities included Hill visits, legislative alerts, "<u>Dear Colleague</u>" letters, coalition work, op-eds and media placements. These <u>efforts initially proved successful</u> when the Senate's Labor, Health and Human Services, and Education Appropriations bill did include another small increase for Perkins, bringing the allocation back to its pre-sequestration level.

However, the House was never able to produce a bill, and the appropriations process stalled. In September, Congress had to pass a stopgap continuing resolution (CR) to provide temporary funding for the federal government and avert another shutdown. Funding the government for FY 2015 became legislators' primary focus during the lame duck session after the election, and work commenced on a comprehensive omnibus bill.

In December, an agreement was reached and final funding bill enacted. Despite cuts in many areas, including an overall \$166 million reduction in discretionary funding for the Department of Education, Perkins was level funded in the final FY 2015 omnibus appropriations bill! The 2015 Consolidated and Further Continuing Appropriations Act included \$1.118 billion for the Perkins Basic State Grant program and \$7.4 million for National Programs. Many other education initiatives, such as Race to the Top and the Investing in Innovation Fund, were cut or eliminated altogether, so this was a victory for CTE and provided added security to schools as leaders plan their budgets for next school year.

Perkins Reauthorization

After some early reauthorization action in 2013, activity stalled in 2014 on Perkins reauthorization. Competing priorities and the congressional climate yielded no official committee action on comprehensive reauthorization bills. However, there was plenty of continued discussion about CTE generally, and the priorities that should be included in a reauthorized Perkins more specifically.

A number of Members of Congress held field events in their states and districts, including CTE Caucus

leaders Sen. Rob Portman (R-OH) and Rep. Glenn Thompson (R-PA). An <u>official field hearing</u> was also held by the House Education and the Workforce Committee in Las Vegas, NV, in March, focusing on the role of Perkins in student success, and <u>another field hearing</u> on the broader topic of education and business partnerships was held in Arizona that month as well.

Perkins-related legislation was also introduced in both the House and Senate addressing specific components of the law and intending to serve as placeholders for those ideas as reauthorization unfolds. For example, on April 7, a bipartisan group of House members introduced the "Perkins Modernization Act of 2014." Reps. Joe Kennedy III (D-MA), Adam Kinzinger (R-IL), Rodney Davis (R-IL) and Jared Polis (D-CO) were the original sponsors of the bill that would amend Perkins' labor market provisions. In June, Sen. Mark Warner (D-VA) introduced a bill to strengthen data systems and partnerships between secondary schools, postsecondary institutions and the business community for CTE programs; and in July, Sens. Tim Kaine (D-VA) and Portman introduced the Educating Tomorrow's Jobs Act, S. 2584, which would strengthen the focus on programs of study within Perkins.

To ensure the CTE community's voice was heard during the reauthorization process, ACTE continued working to educate policymakers and other stakeholders about the law and our priorities. We participated in regular meetings with employer groups and signed onto a letter with a number of employer groups demonstrating support for Perkins; hosted coalition calls with other education and workforce associations; and held a special briefing for education media covering the law. In addition, we met regularly with staff on Capitol Hill, participated in congressional briefings, and continued to refine our recommendations and create specific proposals to share with Congress in close partnership with the National Association of State Directors of CTE Consortium.

ESEA Reauthorization

This year saw little action on the reauthorization of the Elementary and Secondary Education Act. In May, the House of Representatives did <u>overwhelmingly pass</u> a bipartisan charter school bill, the Success and Opportunity through Quality Charter Schools Act (H.R. 10), to amend that section of the law. The bill promoted the replication and expansion of successful charter models and encouraged charter schools to reach out to special populations, including at-risk students, students with disabilities, and English learners. Included in the final bill was an <u>amendment offered by Congressional CTE Caucus co-chairs</u>, Reps. Jim Langevin (D-RI) and Glenn Thompson (R-PA), which added a priority for grants supporting charter schools offering comprehensive career counseling opportunities for at-risk students. However, the bill was not taken up by the Senate.

In absence of substantial progress on the reauthorization, the Obama Administration continued to move forward with ESEA flexibility waivers for states seeking relief from key aspects of current law. Currently 43 states have approved waivers, with many receiving extensions of their expiring waivers that will be in effect through the end of the 2014-2015 school year. Numerous states have incorporated career readiness and other CTE components into their waivers. In November, the U.S. Department of Education announced a new renewal process that will allow those states with expiring waivers to apply for a three-or four-year extension.

HEA Reauthorization

The Higher Education Act (HEA) became a main focus for both the House and Senate education committees this year. Both chambers held numerous hearings on a range of higher education topics throughout 2014. In July, the House passed a <u>pair of HEA reauthorization bills</u>, the Strengthening Transparency in Higher Education Act (H.R. 4983) and the Advancing Competency-Based Education Demonstration Project Act (H.R. 3136). These bills addressed institutional transparency in the cost of higher education and expanded opportunities for the use of competency-based education models, respectively.

Former Sen. Tom Harkin (D-IA), who retired as chairman of the Senate Health, Education, Labor and Pensions (HELP) Committee at the end of 2014, formally introduced the Higher Education Affordability Act (S. 2954) in November—an update on the draft reauthorization bill that was circulated by the committee over the summer. Among many other changes, the bill sought to reinstate the "ability-to-benefit" provision that would allow students who do not have a high school diploma to access federal student aid, and expand access to Pell Grant funding for summer coursework. No further action was taken on the bill before 113th Congress adjourned in December; however, there was a victory for ability to benefit in the omnibus appropriations bill. That bill included a policy rider that partially restored ability to benefit within the student aid program, allowing students without a high school diploma to access student aid funding if they are enrolled in career pathways

programs.

To address CTE priorities in the HEA reauthorization discussion, Senate CTE Caucus co-chairs Sens. Tim Kaine (D-VA), Rob Portman (R-OH) and Tammy Baldwin (D-WI) <u>introduced</u> the Creating Quality Technical Educators Act (S. 2867) to incentivize partnerships between school districts and postsecondary institutions in preparing mid-career professionals, veterans and current educators to be effective CTE teachers. Other higher education and CTE bills introduced in 2014 include former Sen. Mary Landrieu's (D-LA) <u>Jumpstart Our Businesses by Supporting Students (JOBS) Act</u> (S. 2033), and Sen. Baldwin's <u>CTE Opportunity Act</u> (S. 2795), both of which would increase financial aid access for students in short-term postsecondary programs.

WIA Reauthorization

After a decade of delay, on July 22, <u>President Obama signed into law</u> the Workforce Innovation and Opportunity Act (WIOA), the long overdue reauthorization of the Workforce Investment Act. The bill was the <u>product of intense bipartisan, bicameral negotiations</u> throughout the spring and summer that produced a compromise that was able to pass both chambers of Congress overwhelmingly.

WIOA was a combination of separate reauthorization bills—the House's Strengthening Knowledge and Improving Lifelong Skills (SKILLS) Act (H.R.803), and the Senate's Workforce Investment Act of 2013 (S.1356). House and Senate negotiators started their negotiations from the already bipartisan Senate WIA bill, but the final WIOA deal worked through several controversial provisions included in the partisan SKILLS Act.

Several <u>positive provisions</u> that were included in the separate bills made their way into the compromise WIOA deal, including the elimination of "sequence of services" and the addition of an allowance for direct contracting with postsecondary institutions to offer training programs. The new bill also includes an emphasis on career pathways for participants and alignment of accountability indicators.

The final deal eliminated several programs, some of which had not received funding for several years, including 14 workforce programs and one higher education program. The state and local workforce investment boards (WIB) were also streamlined in an effort to reduce overall size and increase efficiency. While the business majority was maintained as in current law, unfortunately a CTE representative is no longer a required member of the state board (although is still an optional member). On the local WIBs, required higher education representation was eliminated under the separate Senate and House bills, but was reinstated under the WIOA deal.

WIOA also included language to address some of ACTE's concerns on changes to one-stop center infrastructure funding, which could negatively impact Perkins. While the deal maintains the alternative funding mechanism from earlier bills, local WIBs are now directed to attempt a voluntary agreement, as under current law, before the new funding mechanism goes into effect. The partner contribution was limited to 1.5 percent of total grant funds available, and must come from administrative expenses.

Since the law was enacted, the Department of Education and Department of Labor have been working to <u>provide additional guidance</u> to states and local areas on its implementation. Numerous <u>webinars</u> and listening sessions have been held, and additional guidance is expected in January. ACTE has been actively involved in <u>protecting and promoting CTE's interests</u> in the law during this process.

Other CTE Legislation

In addition to the signature pieces of education and workforce development legislation, ACTE advocated for the development and advancement of several other bills during 2014.

On May 30, Rep. Kurt Schrader (D-OR) <u>introduced</u> the Building Understanding, Investment, Learning, and Direction (BUILD) CTE Act (H.R. 4782), to establish a pilot program to support CTE exploration programs for middle and high school students. It was a companion to a Senate bill by the same name, S. 1293, introduced by Sen. Jeff Merkley (D-OR) in 2013.

Sen. Tim Kaine (D-VA) introduced the Middle School Technical Education Partnerships (STEP) Act (S. 2788) in early September to support and expand career exploration opportunities for middle school students. The proposed legislation, co-sponsored by Sens. Barbara Boxer (D-CA), Bob Casey (D-PA), and Mark Warner (D-CA)

VA), was intended to provide funding to local educational agencies in partnership with institutions of higher education and relevant business and industry representatives to establish and expand career exploration programs in middle schools that are linked to CTE programs of study offered at the high school or postsecondary level. The bill would have also provided students with comprehensive career and academic guidance and counseling to help them make informed decisions about their future education and career goals.

Congressional CTE Caucus

2014 was a great year for CTE Caucus leadership in Congress. ACTE continued to work with Reps. Glenn Thompson (R-PA) and Jim Langevin (D-RI), leaders of the House Caucus, on issues of importance, including their sponsorship of a letter in support of FY 2015 Perkins funding and a <u>floor speech</u> in recognition of CTE Month. Rep. Thompson also hosted and organized a <u>field hearing</u> in Harrisburg, PA, which was attended by other Members of Congress and leaders from the CTE community. The Caucus expanded its ranks by 10 members, up to 70 total, as more leaders in Washington turned their attention to CTE.

On the Senate side of the Hill, ACTE was pleased to work with Sens. Tim Kaine (D-VA) and Rob Portman (R-OH) to <u>launch the Senate CTE Caucus</u> in February in conjunction with CTE Month 2014. The senators were later joined as Co-Chairs by Sens. Tammy Baldwin (D-WI) and Mike Enzi (R-WY). Caucus Co-Chairs Sens. Kaine, Portman and Baldwin introduced a <u>resolution</u> in the Senate to declare February 2014 as CTE Month. The caucus also hosted briefings for Capitol Hill staff on issues of importance, including <u>CTE in the 21st century workforce</u>, Perkins, and <u>manufacturing and literacy</u>, and also hosted a <u>site visit</u> to a Virginia secondary school for them to see CTE in action. Furthermore, Sens. Kaine, Portman and Baldwin sent a letter to President Barack Obama asking him to create a <u>Presidential Career and Technical Scholars Award</u> through Executive Order.

Federal Rules and Regulations

In 2014, ACTE continued working on an issue regarding proposed federal regulations that will require all foods sold in schools to meet strict new nutritional standards. The Healthy, Hungry-Free Kids Act (HHFKA) of 2010 gave the U.S. Department of Agriculture (USDA) the authority to create national nutritional requirements for "competitive" foods—those foods sold outside the school breakfast and lunch programs—that went into effect at the beginning of the 2014-15 school year. Because these regulations could have a harmful effect on CTE culinary programs that operate student-run cafés and similar enterprises, ACTE has been actively engaged on this issue. Currently, the only exemption provided to schools in the HHFKA relates to competitive food sales for in-school approved fundraising activities that are "infrequent." The USDA has pointed to the fundraiser exemption as an option for CTE programs that do not currently sell foods that meet the nutritional requirements. However, it is left to each state to establish its own rules to govern the number of exempt fundraisers allowed.

To help address this issue, Rep. Steve Womack (R-AR) <u>introduced</u> the Jumpstarting Occupational-learning and Entrepreneurialism (JOE) Act (H.R. 4713), which would have provided an exemption for CTE school-based enterprises from the federal nutritional requirements. ACTE worked with Rep. Womack on developing the JOE Act and supports congressional efforts to provide regulatory relief for affected CTE programs nationwide. While the bill was not passed this year, it provided a strong start to the conversation that will continue in 2015 as the full HHFKA comes up for reauthorization.

In other regulatory issues, in December, the Department of Education <u>published a "framework"</u> for a college ratings system and proposed <u>new rules</u> governing teacher preparation programs. The college ratings system would apply to both two- and four-year institutions offering degrees or certificates. Non-degree granting institutions will not be included in the ratings system as proposed, but the department has not ruled out the possibility of incorporating these institutions in future versions of the system. Among the metrics under consideration include the percentage of students receiving Pell grants at an institution, average net price of attendance at an institution, completion and labor market success.

Another proposed rule, on teacher preparation, would require that all teacher education programs at institutions of higher education or alternative teacher certification programs publicly disclose new information on program outcomes, including student learning outcomes, employment outcomes, survey outcome data and accreditation. These indicators would be used to develop a ratings system that is tied to a program's access to federal TEACH grants. The department is currently seeking public comment on both the proposed college

ratings system and the draft teacher preparation rule and ACTE will be providing input.

Finally, the Obama Administration released its final regulations on "gainful employment" requirements for postsecondary institutions offering career-related programs—impacting their eligibility for Title IV federal student aid programs. The regulations outline how the department will evaluate a program's effectiveness in preparing students for gainful employment after completion. Moreover, they set requirements for programs to make certain performance and outcomes data, including program costs, earnings information and completion rates, available to the public. A key change from previous draft versions of the regulations was the elimination of program cohort default rate (pCDR) as an accountability metric, which focused solely on those students receiving financial aid. Community colleges and other short-term training providers argued that the pCDR would unfairly penalize programs that have only a small number of student borrowers. The department will move forward with its planned debt-to-earnings accountability metric, which will evaluate the amount of debt that students incur to attend a program in comparison to their annual earnings after completion.

Looking Ahead to 2015

The results of the <u>congressional midterm elections</u> in November bring a new dynamic to Capitol Hill in the 114th Congress. Republicans now control both chambers of Congress for the first time in eight years, having taken a majority of seats in the Senate. In addition, <u>new leadership</u> will take over the key committees of jurisdiction for education and workforce training issues, bringing with them new policy positions and priorities. Sixty new House members and 13 new Senators also bring new ideas to their respective chambers.

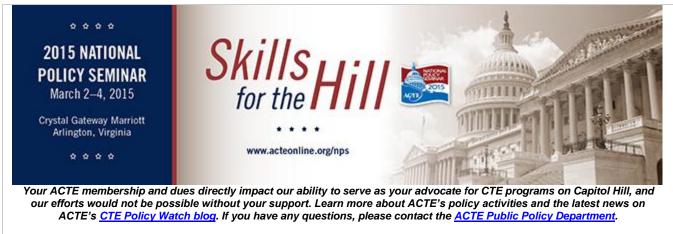
Sen. Lamar Alexander (R-TN), the new chairman of the Senate HELP Committee, and House Education and the Workforce Committee Chairman Jon Kline (R-MN) are expected to prioritize the reauthorization of ESEA in the early part of 2015. Alexander and Kline have supported efforts to provide states with greater control over federal education dollars, particularly for ESEA Title I funding, and have been very critical of the Obama Administration's use of flexibility waivers. Limiting federal mandates and requirements on states and local education agencies will continue to be a major focus of ESEA reauthorization under both chairmen, who hope to have a bill done by summer.

The reauthorization of the HEA will also be an early priority in the House and Senate. Simplifying student financial aid programs and reducing the cost of higher education will be key themes in forthcoming reauthorization bills. Congressional Republicans will continue to oppose the Department of Education's gainful employment regulations and the proposed college ratings system, and will likely use HEA reauthorization to block those efforts. There is a strong possibility that both ESEA and HEA reauthorization bills could pass both chambers in 2015, but without bipartisan support from congressional Democrats and the White House those bills have little chance of becoming law.

It is unclear when the new Congress may begin to seriously consider the reauthorization of the Perkins Act. Though not high on either chamber's list of education priorities, more hearings on Perkins are likely, with the possibility of reauthorization legislation later this year, particularly if progress stalls (or moves very quickly) on HEA and ESEA. Perkins has long enjoyed bipartisan support, so it does have a chance of becoming law if Congress begins moving on a bill.

With the passage of the FY 2015 appropriations bill in December, Congress will be able to focus its attention on funding for FY 2016 in the coming months, with hopes of more regular order in the budget and appropriations process. The new budget cycle will begin in earnest with the release of the president's FY 2016 budget request in February. The House and Senate will unveil their own funding proposals throughout the spring and summer. Unfortunately, the new Republican majority will likely push for greater fiscal austerity and lower discretionary funding caps, which will leave little room for increased funding for education and workforce training programs like Perkins. If Congress proposes major cuts to domestic funding, it will draw strong opposition from the White House and set the stage for more fiscal dysfunction in the year ahead.

Be sure check out the CTE Policy Watch blog for regular updates on all the policy activity of the coming year. We also invite you to join us in Washington on March 2-4 at this year's National Policy Seminar to promote CTE to policymakers!



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