House Holds Hearing on Campus Sexual Assault; Department Holds Hearings on HEA and Federal Student Loans

posted on: Monday, September 14, 2015

Legislative Activity

House Holds Hearing on Campus Sexual Assault

Last Thursday, September 10, the House Education and the Workforce Committee’s Higher Education and Workforce Training Subcommittee held a hearing titled “Preventing and Responding to Sexual Assault on College Campuses.” The hearing focused on the current state of campus safety and the patchwork of state and federal laws aimed at prevention and response to sexual assault on college campuses. In addition to the complexity of relevant regulations, a few other common themes of the hearing included the adjudication process, prevention and education efforts, reporting issues, resources to combat sexual assault, and legislative solutions. Notably, panelists and Committee members alike recognized the overlapping and often times conflicting state and federal regulations related to sexual assaults on college campuses. Committee members expressed concern that this detracts from institutions’ ability to protect students, and there seemed bipartisan consensus to address the issue. Indeed, Subcommittee Chairman Virginia Foxx (R-NC) noted that the hearing brought forth several important issues, which will inform the committee’s process to reauthorize the Higher Education Act (HEA). We do expect that process to formally get underway shortly after the committee makes further progress on conferencing its Elementary and Secondary Education Act reauthorization bill (HR 5) with the Senate.

This Week’s Hearings:

- Wednesday, September 16: The Senate Committee on Veterans’ Affairs will hold a hearing on pending legislation, including S 1938, the Career Ready Student Veterans Act, and S 1460, the Fry Scholarship Enhancement Act.

Executive Branch Activity

Advisory Committee on Student Financial Assistance Holds HEA Reauthorization Hearing; Hears Testimony on Risk-Sharing

Last Friday, September 11, the Department of Education’s Advisory Committee on Student Financial Assistance held a hearing on the reauthorization of the Higher Education Act (HEA). Hearing topics were divided into four main areas: access and completion, simplification, accountability, and consumer information and data transparency. The issue of risk-sharing was raised during the accountability session in testimony given by Jee Hang Lee, vice president for public policy and external relations at the Association of Community College Trustees (ACCT). He stated that these proposals are “conceptually ill-suited” and costly for community colleges. The ACCT represents nearly 300 institutions that would owe $1 million or more under the proposed legislation on risk-sharing by Senators Orrin Hatch (R-UT) and Jeanne Shaheen (D-NH). Most students at these
institutions do not take out loans and those who do often only borrow enough to cover cost-of-living expenses. Mr. Lee warned that risk-sharing proposals could discourage community colleges from participating in federal student loan programs.

Department Holds Public Hearing on Federal Direct Loan Discharges

Last Thursday, September 10, the Department of Education held the first of two public hearings to discuss its rulemaking agenda on federal direct loan discharges. Much of the discussion coalesced around the concept that the Department should broaden its development of regulations to include borrowers with all types of federal loans for discharges through defense to repayment claims. Representatives from the Center from American Progress, the National Consumer Law Center, and the Institute for College Access and Success all agreed that the process should be expanded to include all types of loans.

These hearings followed a Federal Register notice, published on August 20, in which the Department announced its intention to establish a negotiated rulemaking committee to propose regulations for federal student aid programs under Title IV of the Higher Education Act (HEA). The committee will be tasked with determining when students are eligible for Federal Direct Loan discharges. The notice states that the new regulations will address:

1. the procedures to be used for a borrower to establish a defense to repayment;
2. the criteria that the department will use to identify acts or omissions of an institution that constitute defenses to repayment of Federal Direct Loans to the Secretary;
3. the standards and procedures that the department will use to determine the liability of the institution participating in the Federal Direct Loan Program for amounts based on borrower defenses; and
4. the effect of borrower defenses on institutional capability assessments.

The Department is accepting written comments on the topics noted above, as well as suggestions for additional issues that should be considered. The deadline for submitting comments is this Wednesday, September 16, 2015. In addition, the Department will hold its second hearing on the rulemaking agenda this Wednesday in San Francisco, CA.

After the conclusion of the hearings and review of public comments, the Department will announce the topics to be addressed by the committee and request nominations for negotiators to serve on the committee, which is expected to begin negotiations in January 2016. Under Secretary Mitchell has said that, though the timeline for the regulations will depend on the volume of comments received, the Department expects to finalize the rules by November 2016 to take effect on July 1, 2017. He also noted that these regulations will not affect the Department's evaluation of the defense-to-repayment claims received from students at Corinthian-owned campuses.

Administration Announces Education and Job Training Opportunities to Help Middle Class

On Wednesday, September 9, the President, First Lady, Dr. Jill Biden, and Secretary Arne Duncan discussed the additional need for affordable, quality career and education choices for students during their speech at Macomb Community College. During this visit, they reiterated the Administration’s commitment to helping provide all Americans with much-need skills, education, and training and highlighted the recent awarding of $175 million in American Apprenticeship Grants to 46 public-private partnerships.

In addition, the President announced the independent creation of the College Promise Advisory Board, to be led by Dr. Jill Biden (Chair) and former Wyoming Governor Jim Geringer (Vice Chair) and directed by former Under Secretary of Education Martha Kanter. The board will aim to bring together leaders to highlight successes, share practices and models, and recruit additional leaders to join the cause. Furthermore, the Board’s first order of business is the launch of the Heads Up America campaign to raise awareness about the importance of community colleges through public service announcements featuring a variety of individuals.

White House Announces Prior-Prior Year Tax Data for FAFSA Form

On Monday, President Obama will announce changes to the Free Application for Federal Student Aid (FAFSA) form which will allow students to apply for federal financial aid three months earlier using prior-prior year tax data, a concept with bipartisan support in Congress. The policy is expected to
cost about $400 million in the first year, due to 50,000 additional students accessing federal aid and enrolling in college. HELP Committee Chairman Lamar Alexander (R-TN) and Committee Member Michael Bennet (D-CO) include the proposal in their Financial Aid Simplification and Transparency (FAST) Act (S 108), but Chairman Alexander contends the change should take place as part of the HEA reauthorization process.

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