# Board of Trustees
Los Angeles Community College District

**Agenda**

**LOS ANGELES COMMUNITY COLLEGE DISTRICT**
**BOARD OF TRUSTEES**
**LEGISLATIVE & PUBLIC AFFAIRS COMMITTEE MEETING**
**Educational Services Center**
**Board Room – First Floor**
**770 Wilshire Boulevard**
**Los Angeles, CA 90017**
**Wednesday, December 13, 2017**
**3:00 p.m. – 4:15 p.m.**

Committee Members
Mike Fong, Chair
Andra Hoffman, Vice Chair
Gabriel Buelna, Member
Maria Luisa Veloz, Staff Liaison
Marvin Martinez, College President Liaison
Renee D. Martinez, College President Liaison Alternate

**Agenda**
(Items may be taken out of order)

I. ROLL CALL

II. PUBLIC SPEAKERS*

III. NEW BUSINESS

A. Federal Update Report - Leslie Pollner - Holland & Knight LLP

IV. OLD BUSINESS

V. DISCUSSION

VI. SUMMARY– NEXT MEETING ……………………………………………………………Mike Fong

VII. ADJOURNMENT

*Members of the public are allotted three minutes time to address the agenda issues.

If requested, the agenda shall be made available in appropriate alternate formats to persons with a disability, as required by Section 202 of the American with Disabilities Act of 1990 (42 U.S.C. Section 12132), and the rules and regulations adopted in implementation thereof. The agenda shall include information regarding how, for whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting. To make such a request, please contact the Executive Secretary to the Board of Trustees at 213/891-2044 no later than 12 p.m. (noon) on the Tuesday prior to the Committee meeting.

Holland & Knight

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**Memorandum**

Date: December 4, 2017

To: LACCD Legislative & Public Affairs Committee

From: Holland & Knight LLP

Re: Federal Policy Update

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This memo provides a brief overview of key issues impacting the Los Angeles Community College District, including:

- Government Funding/Appropriations
- DACA
- White House HEA Priorities
- Senate Tax Reform Plan

Last week, the House Education & Workforce Committee also released their higher education reauthorization legislation. An analysis of that legislation is provided under separate cover.

**Government Funding/Appropriations Update**

With the current Continuing Resolution set to expire this Friday, December 8th, House GOP leaders announced a plan to fund the federal government for two additional weeks to avoid a government shutdown. This plan, which House Republican leadership says will not require Democratic support for passage, will allow House and Senate members time to negotiate a final spending package. House GOP leaders expect to vote on the two-week stopgap on Wednesday and the Senate is expected to pass that bill and send it on to the President's signature by Friday. Some Democrats in the Senate are expected to vote for the two-week measure.

Senate Minority Leader Chuck Schumer and House Minority Leader Nancy Pelosi also said Monday they have accepted an invitation to sit down Thursday with President Trump and GOP leaders to hash out the terms of the final spending agreement. They were previously scheduled to meet with President Trump last week. However, that meeting was canceled after President Trump made inflammatory remarks on Twitter about the unlikely prospect that a deal would be reached.

**DACA Update**

On ABC's *This Week* Sunday morning news program, Senate Majority Leader Mitch McConnell said it was "ridiculous" to think there would be a government shutdown over the DACA issue.

"It's just not going to happen," McConnell told anchor George Stephanopoulos. The Majority Leader went on the say "There is no crisis. The president has given us until March to address the issue of undocumented children who came into the country ... through no choice of their own and are in a kind of difficult spot."

Support to preserve DACA continues to remain strong on both sides of the aisle. Arizona Republican Senator Jeff Flake and Florida Republican Representative Carlos Curbelo continue to demand a DACA solution before year's end. On Friday, Curbelo said he would vote for the short-term spending bill through December 22nd but "would not support funding the government beyond December 31st we have a solution for DACA." Furthermore, Senator Jeff Flake said he secured support from the Administration and Senate leadership to address DACA in exchange for his support of tax reform.

**Trump Administration Unveil Priorities for Higher Education Reauthorization**

On Friday immediately following the release of the House GOP's higher education reauthorization proposal, the White House unveiled their principles for HEA reform. The focus of the President's proposal is access, affordability and innovation. The President calls on colleges and universities to provide students with affordable and flexible education options for both traditional and non-traditional options. The President's principles are list below:

*White House HEA Principles*

1. **Expand Pell Grant Eligibility for Short-Term Programs** – Students face many educational options in paving their way to a successful career. Federal law should facilitate, not impede, students exploring and accessing those options. Congress should therefore expand Pell Grant recipients' eligibility to include high-quality short-term, summer, and certificate programs.

2. **Reform Federal Student Loan and Repayment Options** – The current student loan system burdens students with debt and taxpayers with uncertainty. Congress should therefore consider reforming, limiting, or consolidating certain existing student loan programs to better serve students and protect taxpayer investment. Under current law, many students have difficulty understanding and selecting the best repayment plan for their financial situation. Congress should streamline repayment plans, including those plans based on a borrower's income.

3. **Recalibrate the Grant Allocation Process** – The Department of Education must ensure more transparency, fairness, and clarity in its grant-making process. Congress can help by eliminating duplication and by giving authority and flexibility back to States to address the needs of institutions of higher education.

4. **Ensure Institutional Accountability** – Congress should require colleges and universities to share a portion of the financial risk associated with student loans, in consideration of the actual loan repayment rate. Sharing financial risk will align the institutions' interests with the interests of borrowers and taxpayers. Congress should require financial accountability from all schools, while also considering the unique challenges of those institutions serving large

populations of disadvantaged students who rely on student loans. Holding institutions financially accountable will help reduce incentives to the escalating costs of tuition and protect taxpayers from the risks associated with the rapidly growing Federal student loan portfolio.

5. **Reduce Regulatory Burdens** – The Department of Education is revising regulatory burdens imposed on postsecondary institutions and removing unnecessary and unlawful requirements, including confusing and duplicative reporting mandates. Congress should provide additional regulatory relief for institutions by revising the HEA to streamline, modernize, or eliminate ineffective, harmful, and costly provisions. This will allow colleges and universities to innovate and to direct resources toward educational, rather than administrative, functions.

6. **Improve Transparency** — Although much of the data schools are currently mandated to disclose by the HEA is useful, the amount of information provided to students is vast and overwhelming. Congress should improve transparency by rationalizing the content, type, and number of disclosures that it requires schools to provide to students, prospective students, and their families. This will help ensure that students receive concise, clear, and easily understandable information that allows for informed decisions.

7. **Offer Administrative Updates and Financial Flexibility** – Congress should provide financial aid administrators the authority to help students manage their student loan borrowing and require more regular, effective financial aid counseling.

**8. Promote Free Speech on College Campuses** – Our higher education institutions should foster an environment that promotes spirited, intellectually engaging, and diverse debate. Congress should therefore require institutions of higher education receiving Federal funds to provide prospective and current students with a free speech policy disclosure.

**Senate Passes Tax Reform Bill**

In the early hours of Saturday morning December 2nd, the U.S. Senate passed a sweeping tax-reform proposal by a 51-49 vote.

The vote sets up negotiations with House leaders over substantial differences between the two bills. Both the House and Senate bill have negative consequences for higher education institutions and college leaders predict will adversely affect charitable giving and state budgets that support public colleges and universities.

Senate lawmakers approved multiple amendments Friday to provisions that would affect higher education. One allows taxpayers to deduct only up to $10,000 for state and local property taxes. Previous language eliminated state and local deductions entirely. Even with that change, however, higher education leaders say the cap could put strains on state budgets.

As in the House bill, the Senate tax plan doubles the standard deduction for tax filers, a change that charitable groups say would hurt incentives for donating to tax-exempt entities like colleges. The bill also repeals the exemption for Advanced Refunding Bonds that are used by colleges and universities for expensive capital improvements on academic facilities

Unlike the House bill, the Senate proposal preserves the above-the-line deduction for Student Loan Interest; the exclusion from income of up to $5,250 in employer-provided tuition assistance, an important benefit for non-traditional students who are employed full-time. Student and faculty groups staged protests across the country last week against the elimination of the student tax benefits.

"We are especially pleased that the Senate recognizes the importance of education benefits that help millions of middle- and lower-income students and families finance a college education," stated Ted Mitchell, President of the American Council on Education (ACE) "We hope that any final legislation will leave these critically important benefits in place."

Mitchell further stated changes to the standard deduction and new caps on state and local tax deductions were problematic provisions of the Senate bill.  "As a result, we are deeply concerned that at a time when postsecondary degrees and credentials have never been more important to individuals, the economy and our society, the tax reform proposal approved by the Senate could make college more expensive and undermine the financial stability of higher education institutions," he said."

Passage of a final negotiated bill is expected at the end of the week of December 11th or early the week of December 18th.

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**To:** Chancellor Francisco Rodriguez
LACCD Board of Trustees

**From:** Holland & Knight

**Re:** Overview of The PROSPER ACT - House Education & Workforce Republican Higher Education Reauthorization Proposal

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On Friday December 1st, House Education & Workforce Chair Virginia Foxx released H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act, a 560-page bill that would reauthorize the Higher Education Act. The bill was crafted without Democratic input. It is expected to be marked-up the week of December 11th. The Senate is moving on a slower timeframe and HELP Chairman Lamar Alexander has said that he would like the Senate's legislation to be bipartisan.

The PROSPER Act paces a strong emphasis on workforce development, including authorizing $183 million for apprenticeship grants to community colleges and includes a provision that allows use of the Pell Grant for innovative learning programs, such as short-term competency-based certificate programs.

However, the bill also makes sweeping changes to federal aid programs. It reduces eight student loan repayment plans down to two: one standard 10-year plan and one income-based plan. As you know, people can opt to have their monthly loan payment capped to a percentage of their earnings, with the remaining balance of the debt forgiven after 20 to 25 years. The House plan would eliminate that loan forgiveness, but cap the interest payments on the loan after 10 years. A single definition of an institution of higher education is included in the legislation. All institutions of higher education are eligible to participate in any of the programs authorized by the HEA, except for the Title III and Title V programs. For-profit institutions continue to be ineligible for these institutional grants.

There is also a provision in the bill that would address free speech policies on campus and campus assault regulations.

Below are more specific details of the bill that may be of interest to LACCD:

***Student Financial Assistance***

The bill streamlines student aid programs into ***One Grant***; ***One Loan***; ***One Work Study*** awards. It also simplifies FAFSA. The legislation requires that higher education institutions provide financial aid counseling to any individuals receiving a federal Pell Grant or loan. Counseling can occur either online or in-person.

- The *One Grant program* is the Pell grant, which will be authorized through 2024. Institutions will be required to disburse grants to students on a weekly or monthly basis like a paycheck. The Secretary of Education will be required to annually provide an individualized Pell Grant Status Report to each recipient to alert students on how much Pell funds they have left. The legislation rescinds Pell Grants from recipients who have received the grant for three straight payment periods without completing any college credits. The legislation provides a $300.00 Pell Grant bonus for students who take enough credits (defined as 15 credits per semester in an award year). It also expands Pell Grant eligibility to more certificate programs.

- The bill streamlines the six current loan programs into the new ***Federal One Loan Program*** with one subsidized loan per category of borrowers – an undergraduate loan; a graduate loan; and a parent loan. It creates annual and aggregate limits on borrowing. Like the Pell Grant program, institutions will be required to disburse grants to students on a weekly or monthly basis like a paycheck. The bill eliminates the origination fees borrowers are currently charged.

- The proposal reconfigures the ***Work-Study*** allocation formula by attempting to equitably distribute Work Study grants based on the amount of Pell Grant dollars an institution receives and the financial needs of undergraduate students. A new set aside of $150 million is created geared towards institutions that have high Pell recipient completion rates or show significant improvement in their rates from the previous year. The bill also doubles the funding for the Work Study program while limiting access to Work Study to undergraduate students. In addition, the legislation eliminates the arbitrary cap that prevents more than 25 percent of an institution's Work-Study funding from flowing to students working at private-sector companies. The legislation officially winds down the Perkins loan program; eliminates the Direct Loan Program and the Supplemental Education Opportunity (SEOG) grants.

- Mandates the simplification of the ***FAFSA application***, including having the form consumer tested with an online application and a mobile app. Not later than 1 year after enactment, Secretary shall make available the electronic version of FAFSA for mobile devices that enables applicants to save data and submit the FAFSA application; enable applicants to use the data retrieval tool with IRS data and smart technology for questions prompted based on previous answers; at least once per year, the Secretary shall report progress of simplification and security of data retrieval tool.

***Accountability and Transparency***

- Repeals the Gainful Employment Program, the Credit Hour Rule, the Borrower Defense Rule.

- Adds Institutional Risk-Sharing provision that would require institutions to share in the risk of non-completion, mandating them to repay the federal government the unearned aid when a student leaves a program before completion.

- The bill reduces the authority of the U.S. Secretary of Education by explicitly prohibiting the Secretary from adding any requirements on institutions or states that are explicitly authorized by HEA.

- The bill creates a program-level loan repayment rate tied to program eligibility that replaces the institutional-level cohort default rate that will allocate student aid only to programs where graduates will have the ability to repay loans.

- Continues the ban on use of student unit records

***Minority-serving Institutions, TRIO, Gear-up and other Support Programs***

- Will require Minority-Serving Institutions to graduate 25% or more of their student body before they can be eligible for Title III and Title V grant programs.

- Requires new competition rules for TRIO programs that would focus on helping new grantees to receive awards. No additional points will be provided to applicants based on prior success with the program. There is an addition of a 20% matching requirement for all TRIO programs that must be provided by institutional, agency, private or state funds. In addition, the legislation sets aside at least 10% of grant funds to encourage evidence-based programs focused on increasing college access and completion.

- Bill eliminates multiple awards of the Gear Up grant to a single grantee. Grantees are only eligible for one award at a time.

***Apprenticeships and Workforce Development***

- A $183 million apprenticeship grant program to community colleges is established. Each award will be no more than $1.5 million for 1-4 years. A 50% non-federal match is required. The non-federal match can be through cash or in-kind contributions. This is a significant non-federal match, however the grantee will be able to use its partnership with the business community to meet this match. The match must be identified during the grant application process.

***Other Provisions***

- Codifies much of the interim guidance on Clery Act Title IX and campus sexual assault from the Department of Education's Office for Civil Rights, with more detail. For example, schools choose the standard of evidence to use in disciplinary proceedings, as long as the standard is applied consistently; all parties required to have information a week before a disciplinary proceeding; allows campuses to postpone an investigation if the local law enforcement agency asks them to do so.

- Disclosure of Free Speech Policies: No institution of higher education shall be eligible to receive funds under this Act, including participation in any program under Title IV, unless the institution certifies to the Secretary that the institution has annually disclosed to current and prospective students any policies held by the institutions related to protected speech on campus, including policies limiting where and when such speech may occur.

- Requires all higher education institutions in any program under HEA to adopt and implement a program to prevent the use of illicit drugs and the abuse of alcohol by students and employees that, at a minimum, includes the annual distribution to each student and employee of:
    - Institutional standards of conduct and sanctions that clearly prohibit and address the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees
    - The description of any drug or alcohol counseling, treatment, rehabilitation, or re-entry programs that are available to students or employees