## The Federal Update

Presented at

#### **CAPPS Legislative Policy Conference**

April 16-17, 2018 Sacramento, CA



Presented by Stanley A. Freeman

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# **Federal Update**



# CONGRESS



## Words of Wisdom on Congress

- Just because you do not take an interest in politics doesn't mean politics won't take an interest in you – Pericles
- We hang the petty thieves and appoint the great ones to public office *Aesop*
- I love to go to Washington if only to be near my money Bob Hope
- Some men change their party for the sake of their principles; others their principles for the sake of their party - Winston Churchill



## Words of Wisdom on Congress

- A zebra does not change its spots Al Gore
- Things are more like they are now, than they ever were before Dwight D Eisenhower
- After two years in Washington, I often long for the realism and sincerity of Hollywood - Fred Thompson
- Politics is supposed to be the second oldest profession. I have come to realize that it bears a very close resemblance to the first Ronald Reagan



## Words of Wisdom on Congress

- Suppose you were an idiot and suppose you were a member of Congress .... But I repeat myself Mark Twain
- Politics has become so expensive that it takes a lot of money even to be defeated – Will Rogers
- There are always too many Democratic congressmen, too many Republican congressmen, and never enough U.S. congressmen Anonymous
- Source: https://soapboxie.com/activism/Quotations-Politics



## **Polls**

#### **Current House - 115th Congress**



Current Governors Vacancies Republicans 239 Democrats 5



Polls ~ Election 2018 Video

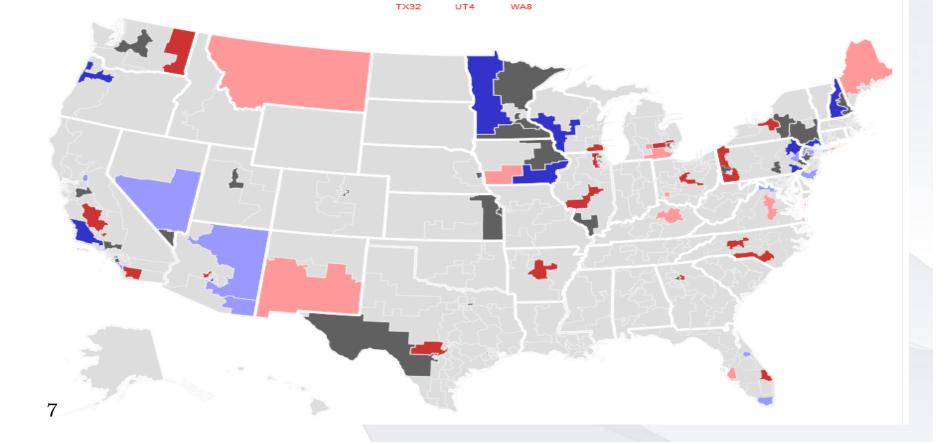
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Toss Ups Republicans 204 Democrats 30 218 Seats Needed For Majority Likely Dem (3R) Toss Up (4D, 24R) Likely GOP (1D) AZ9 CA24 FL13 AZ1 AZ2 CA7 CA10 CA25 CA45 FL16 IA3 KY8 AZ8 CA21 CA48 IA2 MN7 NH2 CA39 CA49 FL7 CO6 GA6 ME2 MI7 MTAL CA50 FL18 GA7 NY3 OR5 IA1 IL6 IL12 NY18 FL26 FL27 NJ2 NM2 NY1 NY11 IL13 IL14 MI8 PA5 PA6 PA8 NJ5 NJ11 NV4 KS2 KS3 MI11 OH1 VA2 VA7 NC9 NC13 NY24 WI3 PA7 VA10 MN1 MN2 MN3 PA16 OH12 PA14 MN8 NE2 NH1 TX21 WA5 WI1 NJ7 NY19 NV3 NY22 PA1 PA10

TX7

TX23

PA17





Polls Election 2018 Video

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#### **Current Senate - 115th Congress**





RCP Senate Map Current Senate RCP House Map Current House RCP Governor Map Current Governors 49 Democrats \* Republicans 51 WA MN OR ID SD MA WY IA NE RI UT CA KS CT NC NJ AZ OK NM SC AR MS GA DE LA TX MD HI



#### **Battle for the Senate 2018**



RCP House Map RCP Governor Map RCP Senate Map Current Senate Current House Current Governors Toss Ups 44 Democrats \* Republicans 49 36 Safe or Not Up 45 Safe or Not Up 51 Seats Needed For Majority Likely Dem Leans Dem Toss Up Likely GOP PA: Casey (D) OH: Brown (D) IN: Open (D) TN: Open (R) MS1: Wicker (R) WI: Baldwin (D) MT: Tester (D) NV: Heller (R) MS2: Hyde-Smith (R) MO: McCaskill (D) MI: Stabenow (D) TX: Cruz (R) FL: Open (D) Safe GOP Seats MN2: Smith (D) VA: Kaine (D) AZ: Open (R) NJ: Menendez (D) ND: Heitkamp (D) Safe Dem Seats WV: Open (D) ND MN 1 MN<sub>2</sub> MA WY PA NV NE RI UT CA СТ MO NJ ΑZ NM DE TX н 9

### **HEA Reauthorization - PROSPER Act**

### PROSPER Act Regulatory Reform Would:

- Repeal State Authorization Regulations
- Create Single Definition Level Playing Field
- Sharply Limit Borrower Defenses to Repayment
- ▶ Eliminate 90/10 Rule
- Rewrite Federal Direct Loan Program
- Repeal Credit Hour Definition
- Repeal Gainful Employment Rule
- Eliminate FSEOG
- Restructure Work Study
- Create New Apprenticeship Program



#### **HEA Reauthorization - PROSPER Act**

#### **House**: PROSPER Act Status:

- ▶ House E&W Committee Vote, December 12, 2017:
  - > 23-17 (Straight Party Line)
- ▶ Report Issued 2/8/18-Scathing Democratic Dissent
- Bill Awaits House Floor Action

#### California Committee Members:

- Duncan Hunter (R-50<sup>th</sup>-El Cajon)
- Susan Davis (D-53<sup>rd</sup>-San Diego)
- Mark Takano (D-41<sup>st</sup>-Riverside)
- Mark DeSaulnier (D-11<sup>th</sup>-Walnut Creek)

Senate: Still Awaiting Bill Language



### **HEA Reauthorization - PROSPER Act**

House Report: Democrats' Sharp Dissent to PROSPER Act Claims That For-Profits:

- Are "a bad bet for students..."
- Had "the worst student outcomes."
- Showed a "sector-specific failure to educate and prepare students."
- ▶ Engaged in "abusive practices ... not solely ... the work of singular bad actors."
- Have a "foundational problem" that "education offered at these institutions is in too many cases not worth the high cost to student borrowers."



# U.S. Department of Education Regulatory Outlook

### Regulatory Reform Agenda Items:

Negotiated Rulemaking Sessions Completed:

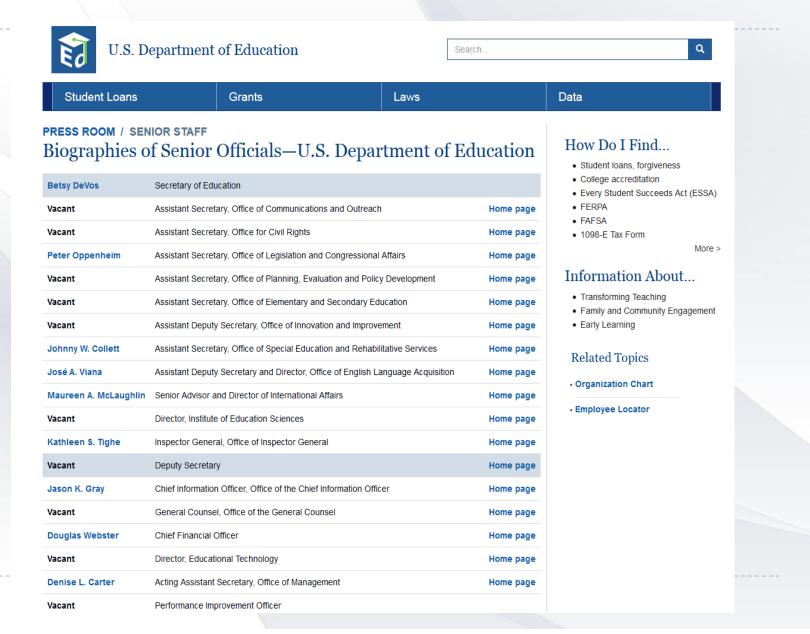
- Gainful Employment NPRM Pending
- Borrower Defense to Repayment NPRM Pending Request For Comments Published:
- Discharge of Student Loans in Bankruptcy ED
   Weighs Action to Relax Barriers to Discharge

## Rumored Pending Regulatory Relief Topics:

- State Authorization
- Distance Education "Regular and Substantive"
- Accreditation



## THE NEW EDUCATION DEPARTMENT: LEANER IN THE UPPER RANKS



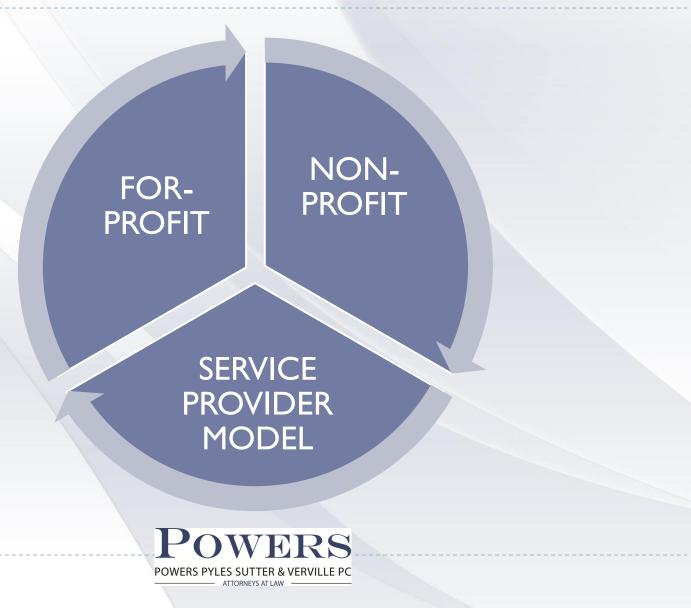
# THE NEW DEPARTMENT OF EDUCATION: LEANER IN THE UPPER RANKS

Phil Maestri	Director, Risk Management Service	Home page
Janet Scott	Director, Office for Small and Disadvantaged Business Utilization	
Vacant	Under Secretary	Home page
A. Wayne Johnson	Chief Operating Officer, Federal Student Aid	Home page
Vacant	Assistant Secretary, Office of Career, Technical and Adult Education	Home page
Vacant	Assistant Secretary, Office of Postsecondary Education	Home page
Vacant	Executive Director of the White House Initiative on Educational Excellence for African Americans	Home page
Holly Ham	Executive Director of the White House Initiative on Asian Americans and Pacific Islanders	Home page
Vacant	Executive Director of the White House Initiative on Educational Excellence for Hispanic Americans	Home page
Vacant	Executive Director of the White House Initiative on Historically Black Colleges and Universities	Home page
Vacant	Executive Director of the White House Initiative on American Indian and Alaska Native Education	Home page
Andrea Ramirez	Acting Executive Director, Center for Faith-Based and Neighborhood Partnerships	Home page



last modified 2/23/18

# CAREER COLLEGE SECTOR DISRUPTION AND REALIGNMENT



# DISRUPTION AND REALIGNMENT-COMPETING TRAINING MODELS

TITLE IV BRICK AND MORTAR ONLINE PROGRAM MANAGERS

APPRENTICE-SHIPS NON-TITLE IV PROGRAMS AND BOOT CAMPS



# DISRUPTION AND REALIGNMENT – WHERE DO YOU LIVE?

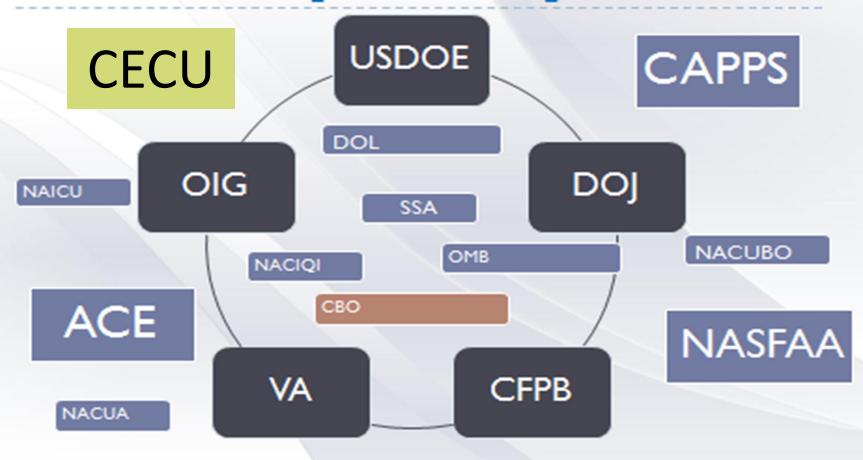
PUBLICLY TRADED SCHOOL COMPANIES PRIVATELY HELD,
WITH SCALE
AND STRONG
COMPLIANCE
METRICS

SMALL LEAN SCHOOLS THAT WILL GROW

**TURNAROUNDS** 



# Washington Merry-Go-Round – Alphabet Soup





## Stanley A. Freeman



Stanley A. Freeman joined Powers Pyles Sutter & Verville in 1994. He is the former president of the firm and founder of the firm's education practice.

Stanley counsels postsecondary educational institutions from all sectors of higher education regarding strategic issues pertaining to participation in the federal student financial assistance programs, accreditation, licensure, and related regulatory concerns. He was selected by his peers for inclusion in the 2009 - 2016 editions of The Best Lawyers in America in the specialty of Education Law.

Stanley has been actively involved in representing educational institutions for more than 20 years. In his practice, he counsels individual educational institutions, corporate investors in higher education, associations of schools and colleges, and allied educational companies on administrative, transactional, regulatory and litigation matters. He has represented numerous schools before the U.S. Department of Education and before other federal agencies, state educational oversight agencies, and accreditors on compliance matters, financial responsibility concerns, legislative issues, and investigative matters. He has also litigated cases in the state and federal courts. He spends much of his time advising clients concerning regulatory and compliance matters arising under the Higher Education Act of 1965, including program reviews, audits, substantive changes, changes in ownership and control, and other oversight matters.

Stanley has authored numerous articles on federal student financial aid issues for higher education publications and frequently speaks to gatherings of college officials and student aid administrators.

Stanley graduated with distinction from the Honors College of the University of Michigan in 1978 and earned his law degree from the Georgetown University Law Center in 1982. He is admitted to practice law in the District of Columbia, Maryland and Virginia. Stanley is a lifelong resident of the Washington area, and he and his wife Cecilia have five children.

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