



Whiteboard
Advisors

Education Insider

Back-to-School Edition

September 2015

Why Education Insider?

An Insider look at education policy from leaders across the country



SURVEY INSIDERS



ANALYZE RESULTS



REPORT INSIGHTS



DRIVE ACTION

About Education Insider

Education Insider is a monthly report that uses a proprietary model to cut through the noise and provide real-time insights on national education policy trends, debates, and issues—from a small group of approximately 50-75 Insiders who are close to the process. We conduct a survey of these influencers, which includes their candid opinions and insights, to provide a unique perspective on K-12 and higher education. The views expressed do not necessarily represent the viewpoints of Whiteboard Advisors or any of its employees.

Who Are The Insiders?

Influential leaders who are shaping federal education reform, including individuals who have served or are currently serving as key policy and political “insiders,” such as:

- Current and former White House and U.S. Department of Education leaders;
- Current and former Congressional staff;
- State education leaders, including state school chiefs and former governors; and
- Leaders of major education organizations and think tanks, as well as other key influentials.

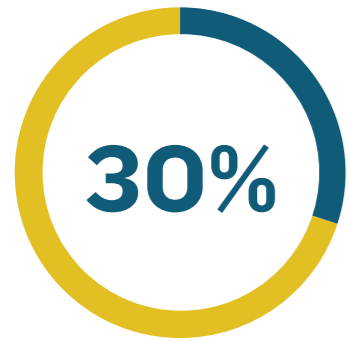
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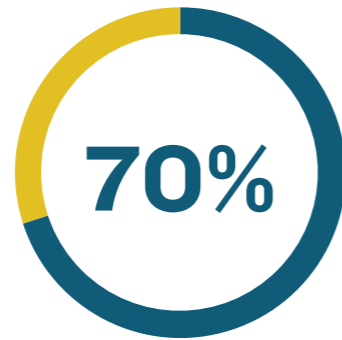
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Executive Summary

A snapshot of key insights from our September 2015 survey



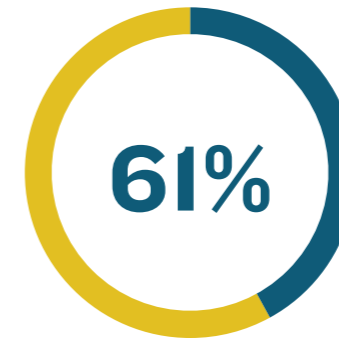
of Insiders believe that ESEA will be reauthorized by December 2015. 77% believe that HEA will be reauthorized after Obama leaves office.



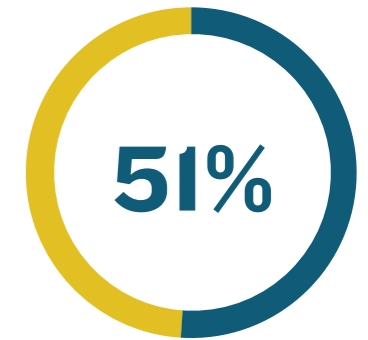
of Insiders predict that the opt-out movement will impact state testing policy; 62% consider the opt-out movement a challenge to assessing school and student performance.



of Insiders think FAFSA simplification will appear in a reauthorized HEA.



view it as unlikely that non-accredited providers will gain access to federal aid.



of Insiders believe federal loan limits for graduate students are either very or somewhat likely, while 48% see this as either somewhat unlikely or are unsure.

ESEA & HEA Reauthorization

Most Insiders believe that ESEA will be reauthorized either by December 2015 or July 2016; roughly one third believe it will be reauthorized after Obama's presidency. The vast majority, however, predict that HEA will be reauthorized after Obama leaves office.

Testing & Opt-Out

A large majority of Insiders predict that more students will opt out of standardized tests next year, and that the opt-out movement will impact state testing policy. Many believe that it negatively impacts states' efforts to assess school and student performance, but almost one third believe that it does not or are unsure.

Post-Secondary Education & Training Programs

Insiders see FAFSA simplification as the proposal that is most likely to be included in a reauthorized HEA, and almost half say the same for Title IV funding flexibility and income-based repayment plans. Insiders are divided, however, on the prospects for non-accredited providers, like coding academies and skills bootcamps, to gain Title IV funds.

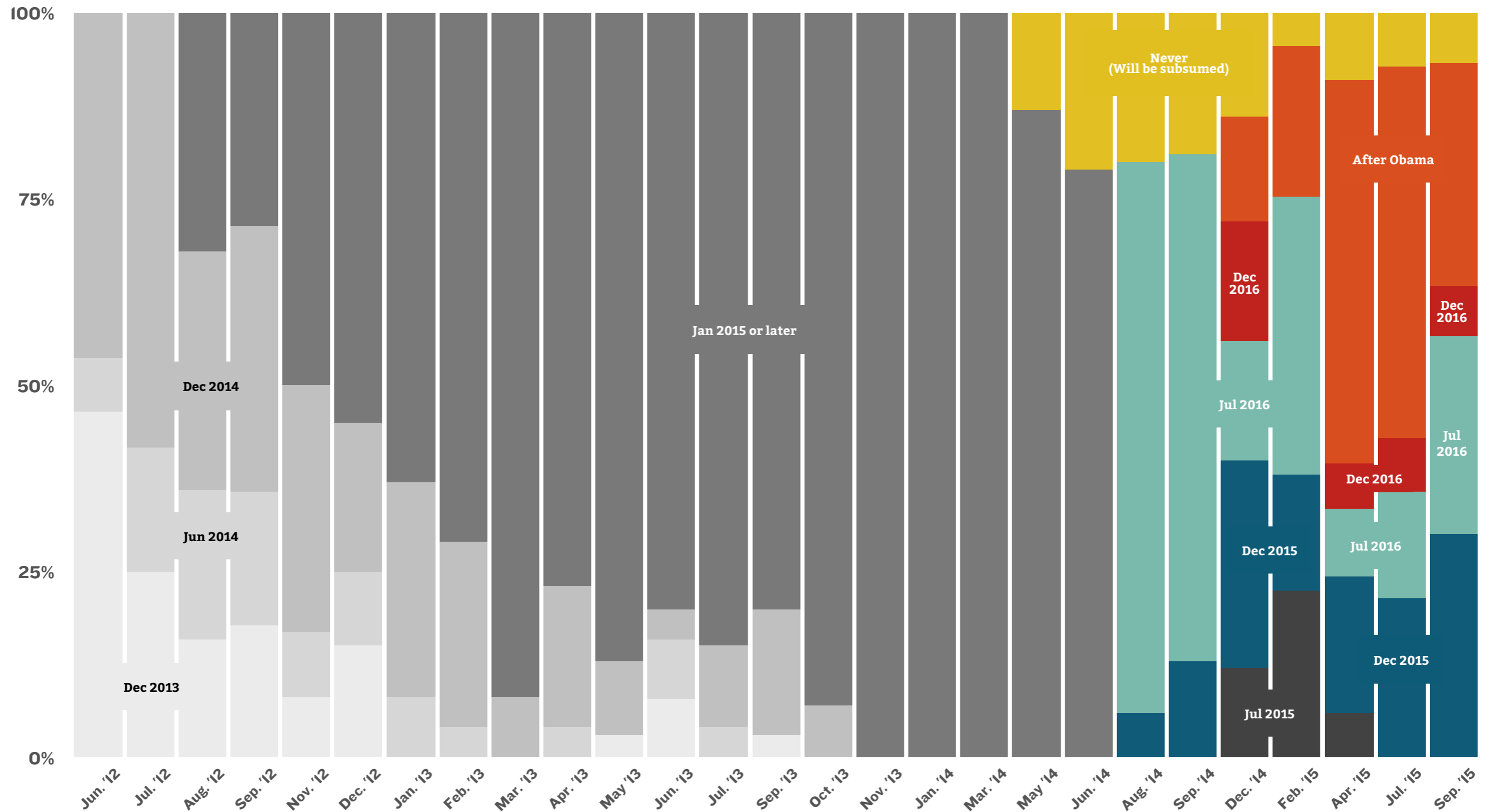
Student Debt

Insiders are split on whether Congress will establish federal loan limits for graduate students. Insiders are also divided on whether the forgiven amount of federal loans will or should be taxed.

Tracking Measures

ESEA Reauthorization Timing

Most Insiders now believe ESEA will be reauthorized by July 2016



Q: By about when do you believe a final ESEA bill will be signed into law?

ESEA Reauthorization

Insiders offer comments on the timeline for renewing ESEA

Everyone Wants A Bill

“Both bills passing their respective chambers is, to quote Joe Biden, a BFD. Alexander and Kline want to get this across the finish line, Murray does and Obama does. Scott can be brought along and Duncan, well, he's just happy to be there.”

“A majority of members want a bill, any bill, so that's a recipe for papering over the tough issues and punting.”

“As much because I actually believe it, I can't imagine yet another iteration of ESEA discussion. And, truthfully, seeing this Congress get it much better than what they are considering right now.”

“They are working on an agreement and there is give and take on a few items to make everyone happy in each house as well as across the aisle. The sticking point will be on accountability and how far they go or don't go.”

Not A Chance

“If there isn't a new bill signed by December 2015 (and that looks near impossible), no one is going to act on it during an election year. There is no incentive to offer any real solutions or fixes until a new Congress and a new president are in place.”

“The campaign has taken over. R's in the field have no taste whatsoever for deals such as this legislation represents, and Obama is under no pressure to give up anything.”

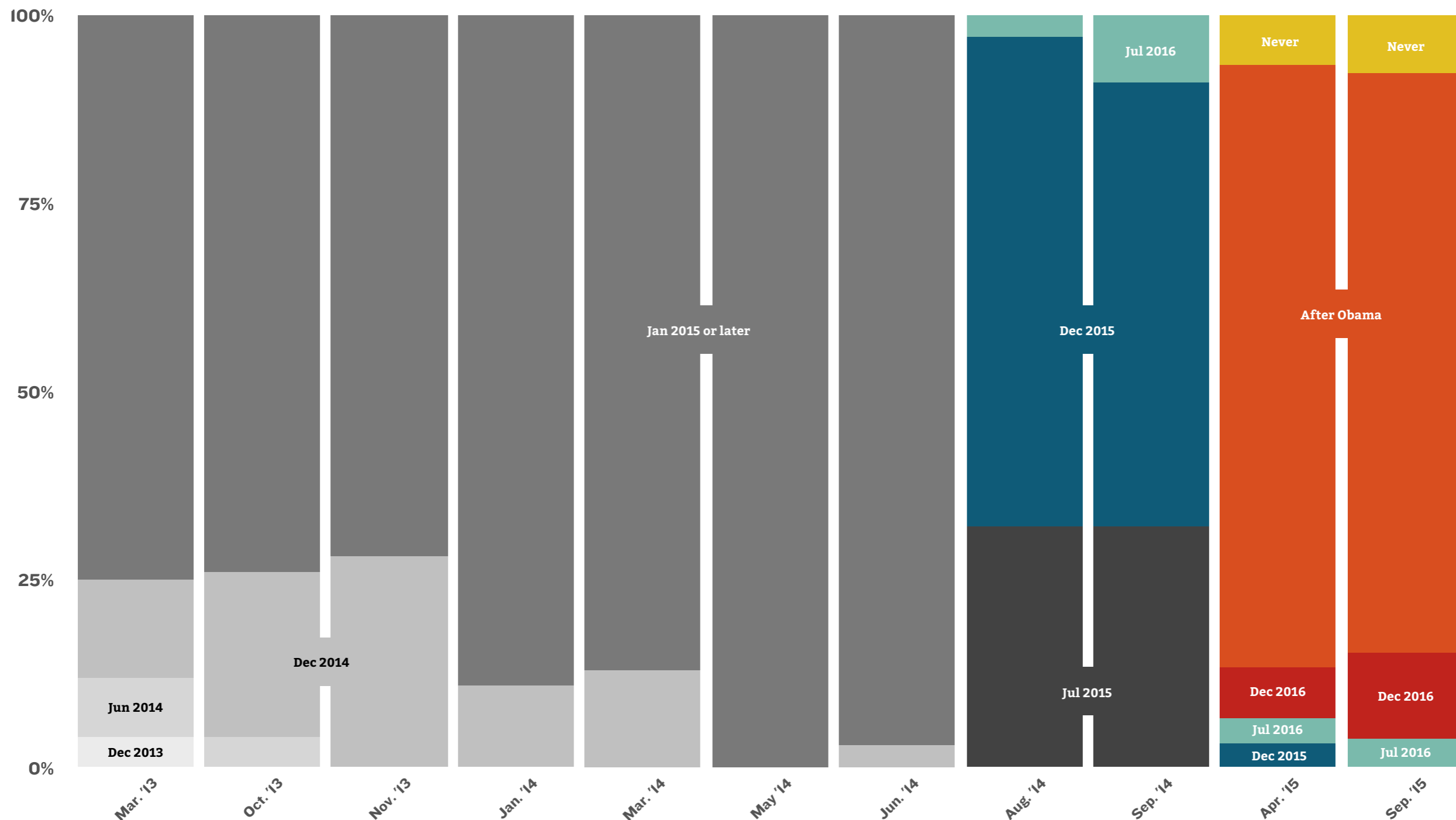
“If it's not signed by December (and with budget fights coming I don't think it will be), there's at least a 50-50 chance that a combination of Tea Party pressure and presidential campaign politics sink the bill early next year.”

Angela Duckworth Should Be Proud

“We should marvel at the robustness of NCLB. No matter what is thrown at it - even a bipartisan Senate compromise - somehow it repulses all efforts at reauthorization. It has shown enviable grit and persistence.”

HEA Reauthorization Timing

77% of Insiders believe HEA will be reauthorized after Obama's presidency



Q: About when will HEA be reauthorized?

HEA Reauthorization

Insiders offer comments on the timing for HEA reauthorization

Progressives Just Ruin Everything

“The nihilist progressives will prevent any rational conversation about higher education policy. The mere fact that students will be required to pay back a loan seems to be so mind-blowingly offensive that it will be impossible to discuss reforms to higher ed with them until the next presidency. If a Republican wins, then we can try, if a Democrat wins, all hope is lost.”

The Actual Factor Is The Election

“Political football now through the election.”

“This is a hope, but not really sure. It could be possible with the right push from leadership and showing they can work together and get things done right before an election.”

Higher Ed or K-12: Choose One

“While the congressional committees are working on reauthorization, there is just not enough time to reauthorize both ESEA and HEA before we are deep in the political season.”

Testing & Opt-Out

The Opt-Out Movement and Accountability

Opt-outs will likely impact state policy, challenge accountability efforts

Background

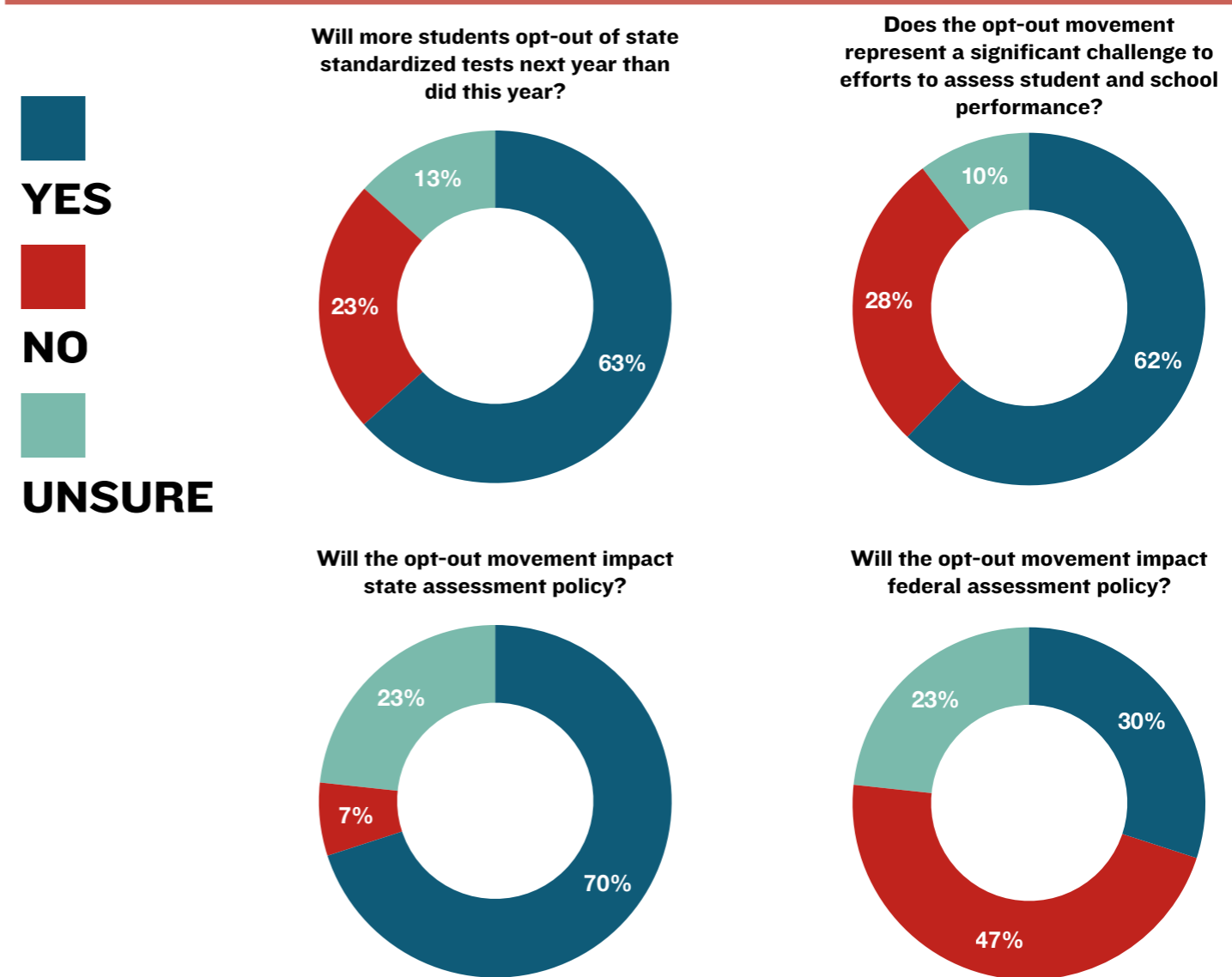
This year, 20% of eligible students in New York sat out of the state’s standardized tests as a result of the opt-out movement – a large enough number to compromise the data from districts with high rates of refusal, and to set back the statewide push for data-driven accountability. Meanwhile, during the Senate’s July ESEA debate, Sen. Steve Daines (R-MT) introduced an amendment to allow states to opt-out of federal accountability entirely (it was defeated).

Insiders Weigh In

We asked Insiders whether the opt-out movement would grow, whether it would present a significant challenge to accountability efforts, and whether it would affect state and/or federal policy. More than half (62%) believe that the opt-out movement does hinder efforts to assess school and student performance; roughly a quarter (27.6%) do not. Insiders overwhelmingly agree that the movement will impact state testing policy (70%), but are split on whether it will impact federal policy.

By The Numbers

The data below show the percentage of respondents who believe the opt-out movement will/will not affect the following:



NOTE: Numbers may not add up to 100% due to rounding.

The Opt-Out Movement and Accountability

Insiders provide comments on implications of opt-out movement

Improvement Requires Data

“Without data for all students, it reduces the ability to draw inferences about programs and schools and make comparisons and identify places doing well and places not doing well, or with gaps or pockets of low performance.”

Need For A Better Conversation

“You can't change what you can't measure. It is also bigger than anti-test. It is anti-accountability, anti-transparency and it also highlights the fact that parents haven't received value out of the tests given to date. There is an opportunity to change the conversation, but it needs to happen quickly.”

“If schools, districts, and states do not let parents understand how state tests help their child (nobody opts out of the SAT), families will continue to think this is a freebie.”

Towards Other Measures Than Just Assessments?

“I sort of disagree with the premise of the question. On the one hand, of course having lower assessment participation rates represents a challenge. On the other hand, standardized assessment alone does not ‘assess student and school performance’ -- which I think is sort the point of opt-out movement. People want broader measures to be used for those kinds of determinations.”

No Cause For Concern

“Not a movement.”

“It is not significant. The tide will turn depending on what is included in the reauthorized ESEA and what colleges will begin to look for and states realize there is a need to find out how student's are doing even if the assessment is only part of that evaluation.”

Post-Secondary Education & Training Programs

Higher Ed Plans in the Presidential Campaigns

Innovation and improved repayment plans will gain the most traction

Background

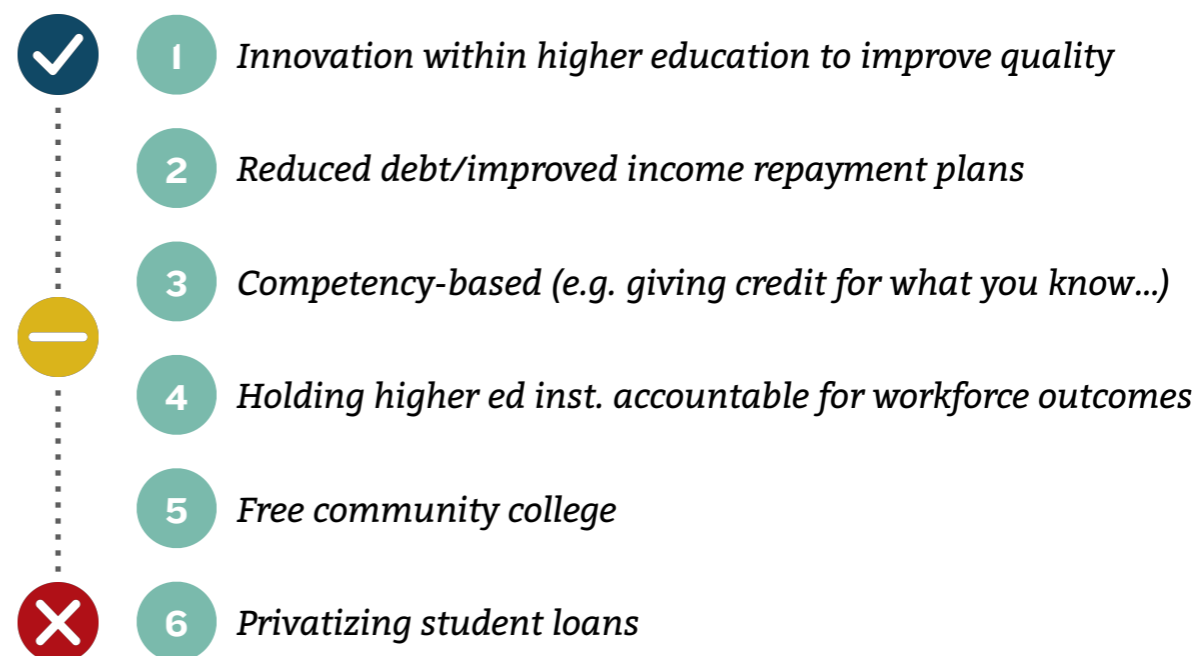
Nearly every presidential candidate has addressed the student loan crisis, and higher education has become a central piece of Democratic campaigns – both Hillary Clinton and Bernie Sanders have released proposals on reducing student debt, and Joe Biden recently spoke in Miami about making higher education more affordable (prompting speculation of a presidential campaign). Republicans, for the most part, have advocated a greater range of options for both students and institutions, especially those receiving federal funds.

Insiders Weigh In

Privatized student loans, free community college, and institutional accountability for workforce outcomes are the clear losers – over half of Insiders believe that these measures are either very or somewhat unlikely. Insiders are optimistic, however, about reduced debt and improved income repayment plans, as well as the prospects of greater innovation within higher ed to improve quality. On the question of competency-based education, Insiders also see decent prospects, but are nearly evenly split between those who believe it is either somewhat likely or very likely (just over half), and those who believe it is somewhat unlikely or very unlikely, or are unsure. They note the considerable political power of institutions of higher education, and their normal reluctance to change.

By The Numbers

About 70% of Insiders believe that reduced debt/improved income repayment plans and innovation within higher ed are either somewhat or very likely. More than 50% believe that competency-based education is either somewhat or very likely. More than 90% of Insiders believe that privatizing student loans is either somewhat unlikely or very unlikely, or are unsure; more than 70% believe the same for free community college and institutional accountability for workforce outcomes.



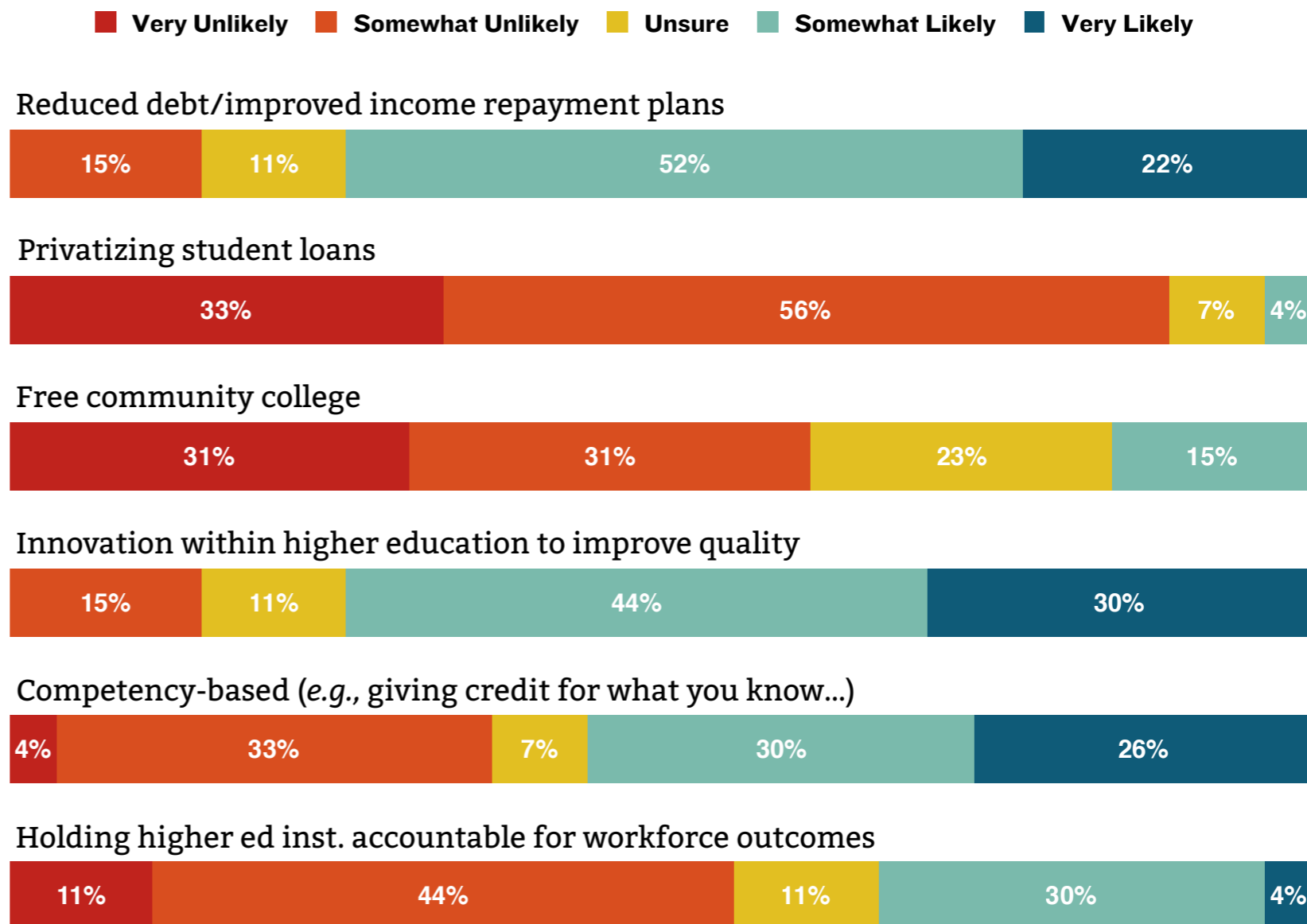
Q: Which higher ed plans or issues being discussed by presidential candidates underway are most likely to gain traction?

Higher Ed Plans in the Presidential Campaigns

Innovation and improved repayment plans will gain the most traction

Another Look

This chart provides a breakdown of Insiders' views about how likely it is that each higher education issue will gain traction in the presidential election campaign.



Q: Which higher ed plans or issues being discussed by presidential candidates underway are most likely to gain traction?

Proposals in a Reauthorized HEA

Insiders see FAFSA simplification, Title IV flexibility, income-based repayment as most likely

Background

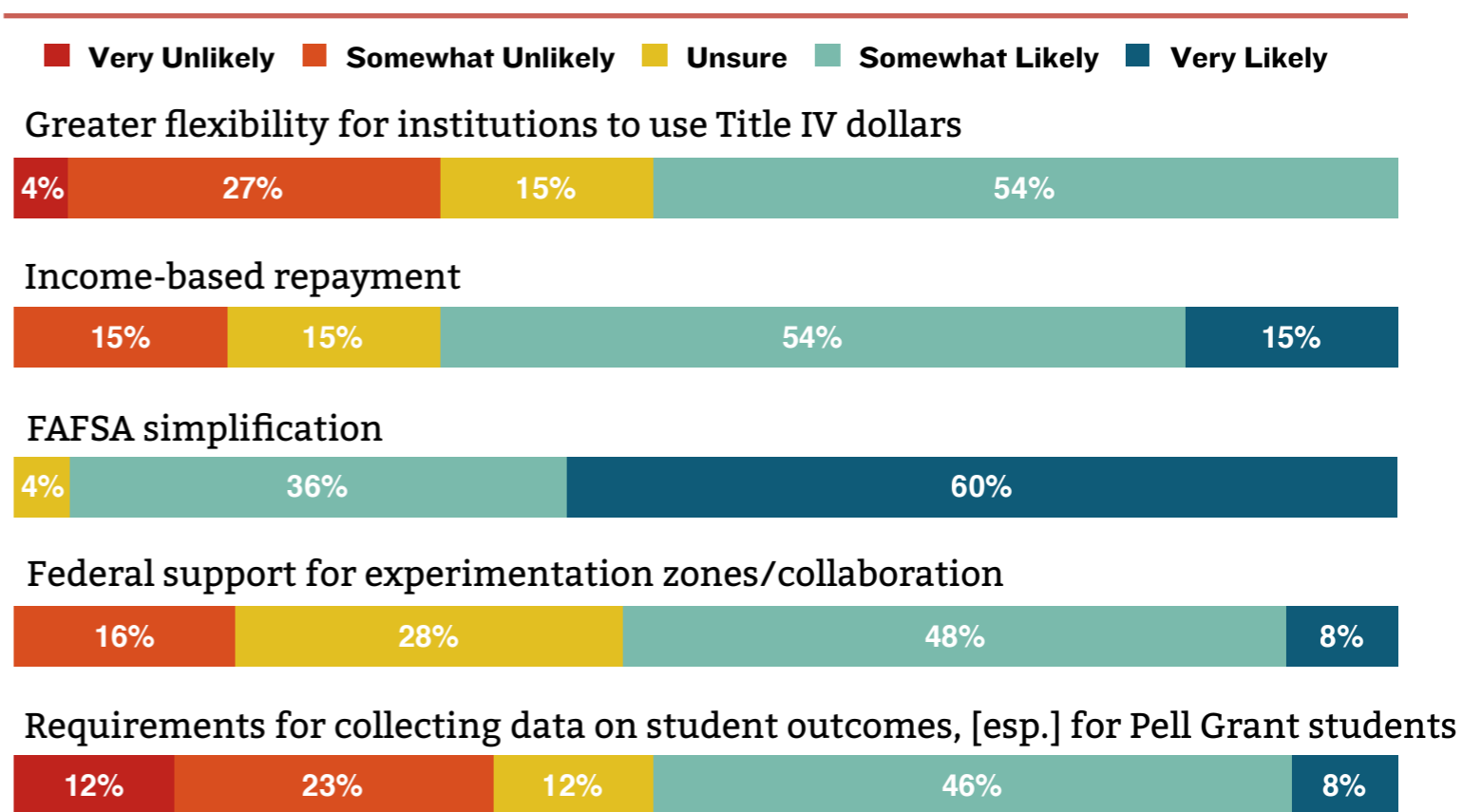
The Senate HELP Committee held several hearings on HEA Reauthorization this summer; they revolved largely around the FAFSA process, flexibility for higher education institutions (especially in their use of Title IV funds), and the question of how to maintain better data on students, particularly Pell Grant recipients.

Insiders Weigh In

Insiders overwhelmingly see FAFSA simplification as likely to be included in a reauthorized HEA. Most are also optimistic about income-based repayment for student loans and flexibility for Title IV funding. Insiders are split, however, on whether federal support for experimentation or requirements for collecting data will make an appearance. And although about half believe that Title IV flexibility looks somewhat likely, an almost equal number believe this is either very unlikely or somewhat unlikely, or are undecided.

By The Numbers

60% of Insiders see FAFSA simplification as very likely, and more than 50% believe that flexibility for Title IV funding and income-based repayment are somewhat likely.



Q: Which proposals are most likely to appear in a reauthorized HEA?

NOTE: Numbers may not add up to 100% due to rounding.

Metrics in a HEA Accountability Proposal

Graduation rates are most likely to be included

Background

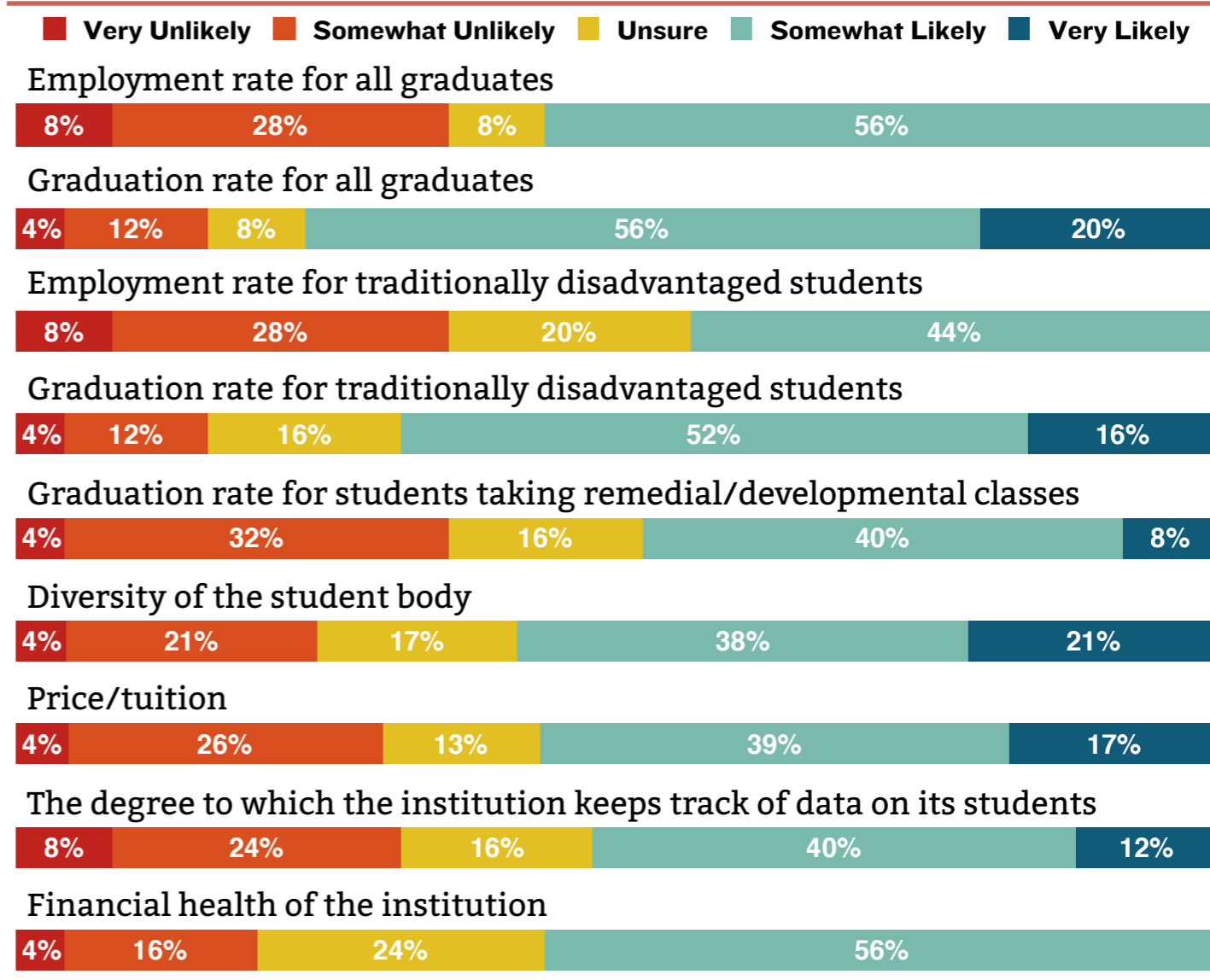
In June, the Obama administration abandoned a plan for the federal government to rate colleges and universities, as a result of the difficulty of determining metrics for showing which institutions offered taxpayers and students the best value. The initiative drew immediate criticism from the higher education community when first announced in August 2013.

Insiders Weigh In

Insiders lean towards graduation rates, for both the entire student body and traditionally disadvantaged students (*e.g.*, minority, Pell Grant, first-generation college), as the most likely to be included in a potential measure. They also slightly favor price as a potential factor. Graduation rates for students taking remedial/developmental classes and employment rates for traditionally disadvantaged students both look unlikely; it is possible that these metrics may be more suited to measures related to Title IV flexibility. Insiders are split on whether or not the financial health of the institution will be included.

By The Numbers

We asked Insiders to rate how likely each of the following metrics are to be included in a potential HEA accountability proposal:



Q: Which metrics are most likely to be included in an HEA accountability proposal?

NOTE: Numbers may not add up to 100% due to rounding.

Higher Education: Campaigns, HEA, and Accountability

Insiders offer comments on higher ed measures being discussed

Likely To Be Discussed...

“Accountability or incentives for completion will likely see action in the reauthorization debate.”

“These are both education and economic issues which will be paired together and also included in workforce preparation discussions.”

...But Probably Going Nowhere

“There will not be a No Child Left Behind-like accountability system in the next HEA.”

“IHE's are the only organizations alive with more political power and more resistance to change than K-12 systems.”

“There is a significant aversion to data collection given the movement for data privacy. It will be tough to get.”

“Some will discuss free community college. I don't see any policy movement.”

Not Effective Even If Acted On

“‘Included’ and ‘included meaningfully’ [in accountability] are two different things. Remember, under the current metrics Sweet Briar received a clean bill of fiscal health not long before it imploded.”

Voters Aren't Paying Attention

“These issues simply aren't important enough to voters to make the radar screen. Clinton and others will have a position paper, but that's about it.”

Access to Federal Title IV Funds

Non-accredited providers likely won't gain access to federal aid

Background

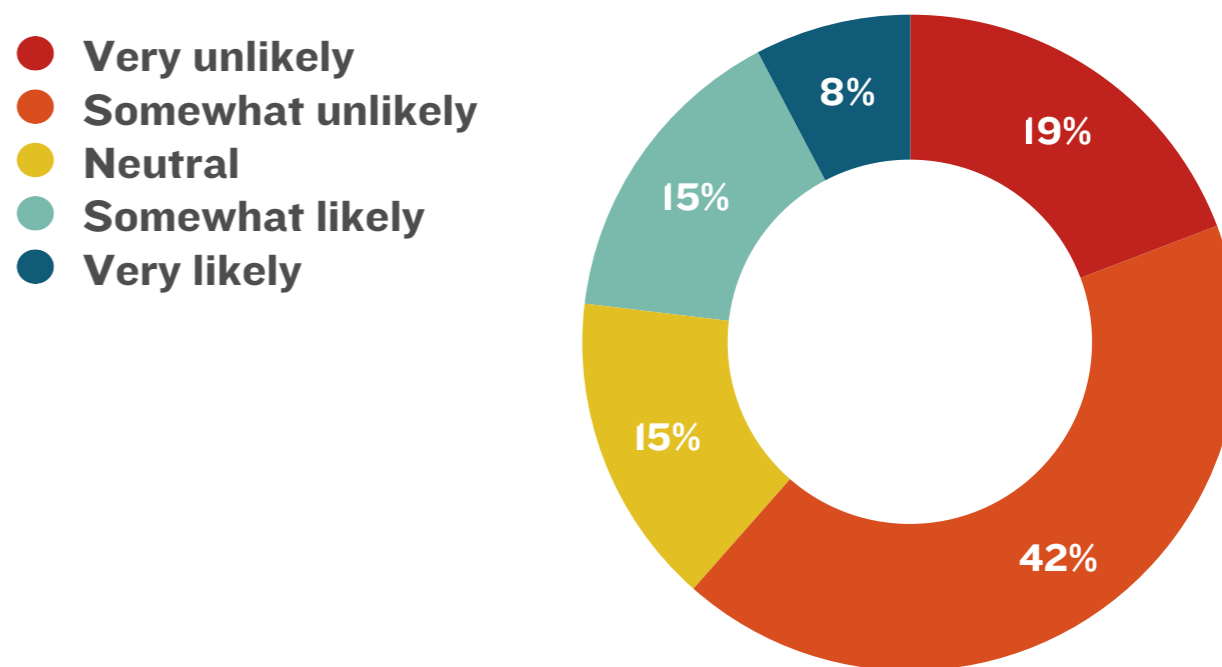
The White House recently convened a range of experts to discuss the question of federal aid eligibility for non-accredited education providers, including coding academies, job skills bootcamps, and MOOCs. This came on the heels of the White House's TechHire initiative in March, in which non-accredited organizations like coding and skills bootcamps play a large role in recruiting, training, and placing applicants in jobs requiring tech skills. The US Department of Education is expected to establish an Experimental Site Initiative (ESI), in the coming months, to encourage partnerships between higher education institutions and non-accredited providers.

Insiders Weigh In

Most Insiders are skeptical of the prospects for non-accredited providers gaining access to federal funds—well over half believe that it is either somewhat or very unlikely. Only about one-in-four Insiders are optimistic about non-accredited providers getting a shot at Title IV money and 15% see it as a toss-up. Among their concerns, Insiders cite quality control issues (there currently is no way to compare these providers or ensure that they deliver adequate training) and a general wariness—among both the public and the federal government—toward for-profit providers.

By The Numbers

61% of Insiders believe it is unlikely that non-accredited providers will gain access to federal aid. 19% believe it is very unlikely, while 15% believe it is somewhat likely and another 15% are undecided. 8% see this as very likely.



Q: How likely do you think it is that non-accredited education providers will be granted access to federal aid?

NOTE: Numbers may not add up to 100% due to rounding.

Access to Federal Title IV Funds

Insiders offer comments on Title IV funds for non-accredited providers

Distorted Markets

“Very hard to see how this gets put into place without pretty significant adverse consequences. The lesson of student aid is that its presence distorts the market and raises costs. Having student aid in these non-accredited markets will likely only raise costs.”

Different Approaches To Accreditation?

“It's more likely that new approaches to ‘accreditation’ outside of existing accreditors will move forward than will non-accredited institutions accessing aid.”

Quality Control

“Until the field can gain traction around what an alternative quality assurance mechanism looks like, this is unlikely. Up until recently, there has been broad agreement that accreditation does not address all of the quality issues we would like. But there is also wariness about giving the feds a bigger role in this sphere. There needs to be a robust conversation about what alternatives might look like.”

Maybe In The Future?

“Not full access, and not all providers. But could easily see an experimental sites initiative that allows money to flow there and studies the result.”

“At this point in time, it is somewhat unlikely given the problems that have occurred with for-profit institutions. It will take some time to prove these entities are viable.”

Student Debt

Graduate Student Debt

Insiders believe Congress might limit federal loans for graduate students

Background

A recent report from the Federal Reserve Bank of New York found that graduate students account for 40% of the \$1.19 trillion in student loan debt.

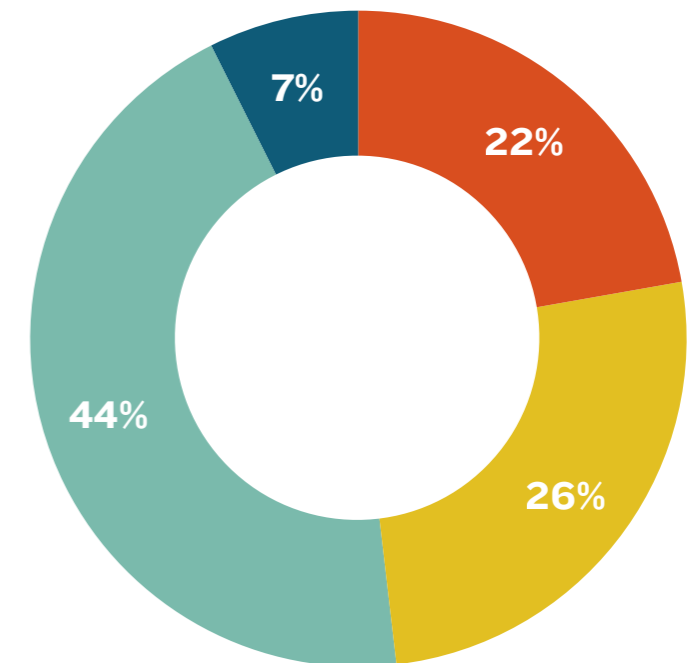
Insiders Weigh In

Insiders are split on the likelihood of Congress reinstating federal loan limits for graduate students. 51% of Insiders see it as somewhat or very likely but with the remainder seeing prospects as mixed or somewhat unlikely. No Insiders see the chances as "very unlikely." Insiders note that, "at the very least, they will have to implement limits on loan forgiveness as part of the income-based repayment programs."

By The Numbers

51% of Insiders believe that it's either very or somewhat likely, while 48% believe that it is either somewhat unlikely or neutral.

- Very unlikely
- Somewhat unlikely
- Neutral
- Somewhat likely
- Very likely



Q: How likely is it that Congress will reinstate federal loan limits on graduate loans?

NOTE: Numbers may not add up to 100% due to rounding.

The Young Farmer Success Act

Insiders evaluate the prospects of farming in the Public Service Loan Forgiveness program

Background

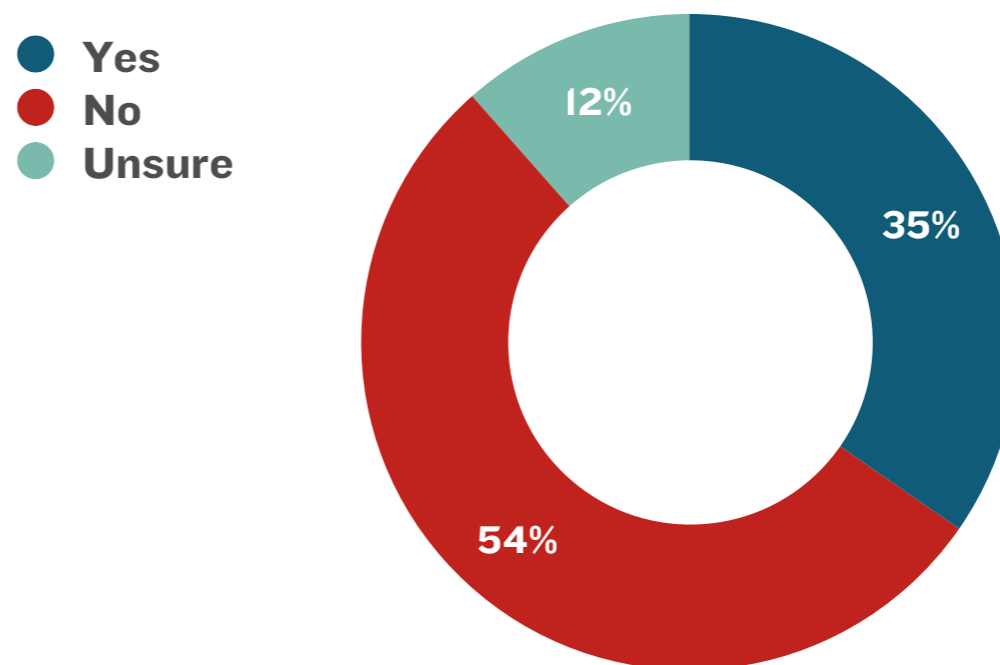
To address the aging farming workforce, the “Young Farmer Success Act” (HR 2590) would add farmers to the eligible activities under the Public Service Loan Forgiveness Program; according to the act, farming is an essential public service.

Insiders Weigh In

While half of Insiders are not optimistic about the prospects of farming being added as an eligible activity under the Public Service Loan Forgiveness Program, about a third believe that it will be included. They note the strength of the farm lobby in general, and that farming is, fundamentally, an essential public service that requires incentives to draw workers.

By The Numbers

Most Insiders (more than 50%) believe that farming will not be added as an eligible activity – but 35% believe that it will, and another 12% are unsure.



Q: Do you think farming will be added as an eligible activity for the Public Service Loan Forgiveness Program?

NOTE: Numbers may not add up to 100% due to rounding.

The Young Farmer Success Act

Insiders offer comments on farming in the Public Service Loan Forgiveness Program

Significant Benefits

“Yes to organic, environmentally-friendly farming that does not contribute to climate change. No for everyone else.”

Necessary

“How else are we going to eat and family farms not be driven out by large conglomerates?”

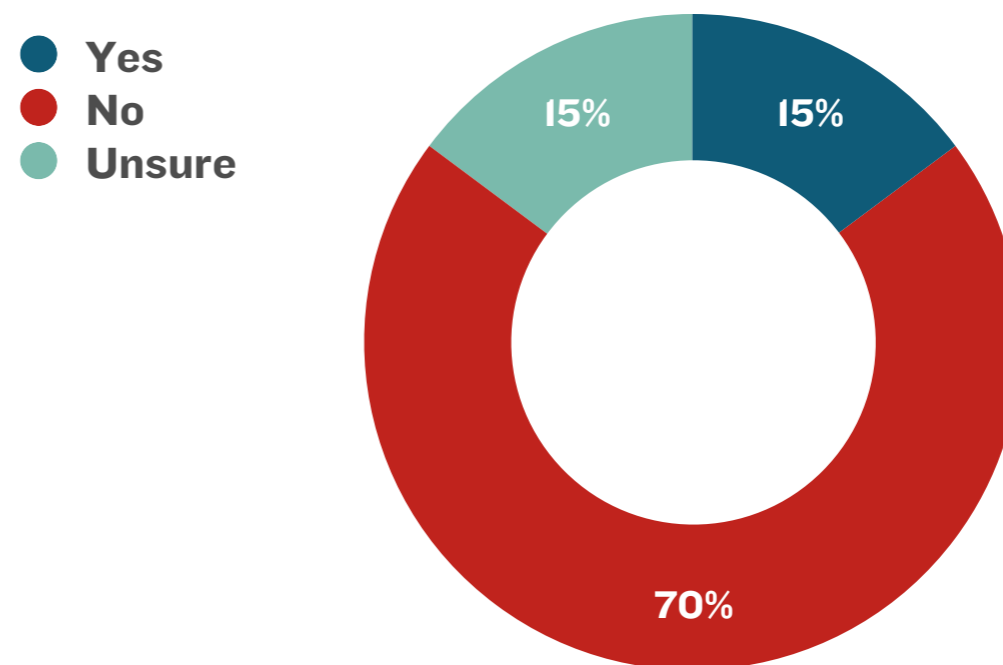
A Step In The Wrong Direction

“Stop the madness. Why should we make judgments about whose work has a higher calling and provide them loan forgiveness? This is a slippery slope and the only ones left paying for college will be business majors.”

“Don’t we currently pay farmers not to farm?”

By The Numbers

We asked Insiders whether they believed farming *should* be added as an eligible activity; 70% say no, while 15% say yes and 15% are unsure.



Q: Do you think farming should be added as an eligible activity for the Public Service Loan Forgiveness Program?

NOTE: Numbers may not add up to 100% due to rounding.

Income-Based Repayment

Congress may, but likely won't, exempt forgiven loan debt from taxes

Background

Most borrowers signing up for federal income-based repayment programs don't realize they might one day get a tax bill for the amount of their debt that is forgiven.

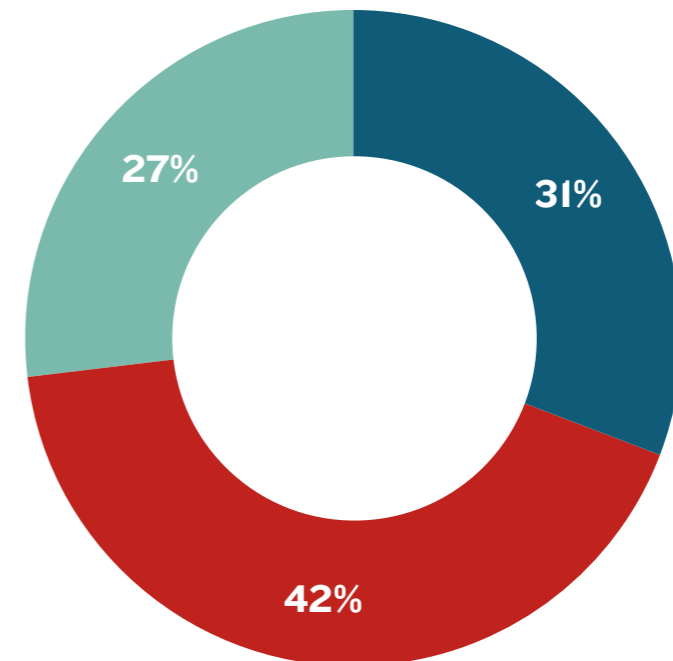
Insiders Weigh In

Insiders are divided – 31% believe that Congress will exempt the forgiven amount from taxes, but another 69% believe that Congress will not exempt the debt or are unsure. Insiders note, however, that legislators who dislike taxing and others who seek to encourage loan forgiveness might find aligned interests in this issue.

By The Numbers

31% of Insiders believe that Congress will exempt the amount of forgiven loan debt from taxes; 42% believe that Congress will not exempt the amount, and 30% are unsure.

- Yes
- No
- Unsure



Q: As income-based repayment programs expand, do you think Congress will exempt the forgiven amount from taxes?

NOTE: Numbers may not add up to 100% due to rounding.

Income-Based Repayment

Insiders offer opinions on whether the forgiven amount of federal loans should be taxed

Background

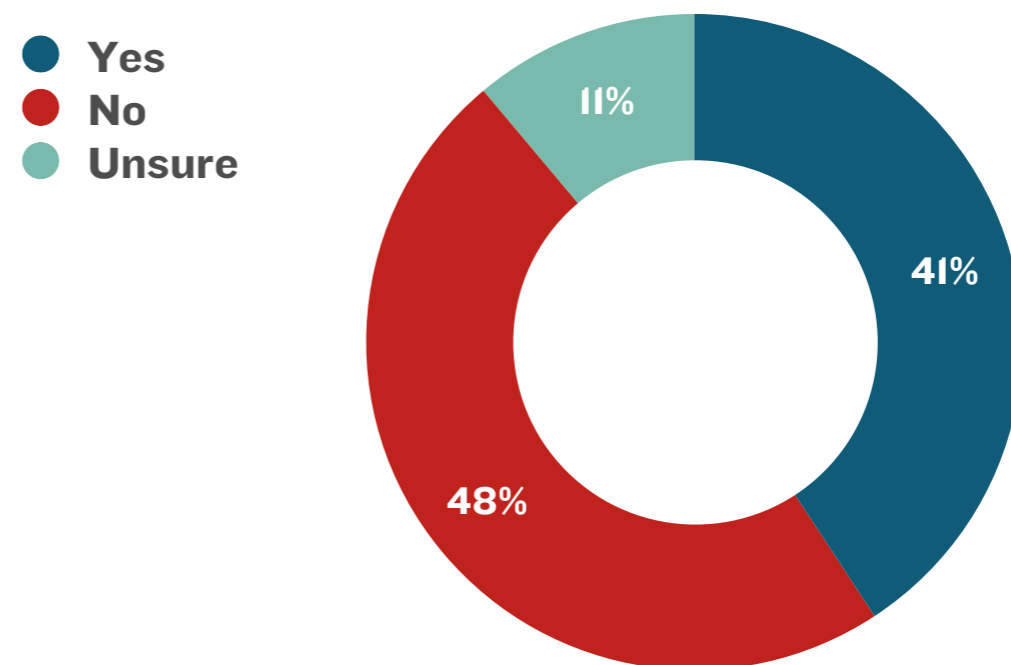
The national student debt now exceeds \$1 trillion, making the need for repayment critical. The costs of a college education, however, continue to grow, as does the proportion of jobs that require a post-secondary education. And as the US continues to struggle from the effects of the Recession, repayment often proves challenging for many graduates. Recent college graduates, moreover, face a much higher unemployment rate than the country's adults – around 14%, compared to 5.4% nationally.

Insiders Weigh In

We asked Insiders whether the federal government should exempt the forgiven amount of federal loans from taxes. A majority (almost 50%) believe that the forgiven amount should not be taxed.

By The Numbers

48% of Insiders believe that the forgiven amount of federal loans *should* not be taxed, while 41% believe that it should. 11% are unsure.



Q: Should the forgiven amount of federal loans be taxed?

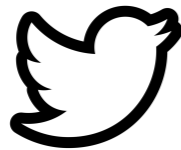
NOTE: Numbers may not add up to 100% due to rounding.



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