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Consolidated and Reformed Workforce  
Development and Literacy Act (1976)

Education: National Endowment for the Arts  
and Humanities, Subject Files I (1973-1996)

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December 2016

## Consolidated and Reformed Workforce Development and Literacy Act (1976): Speech 11

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"Consolidated and Reformed Workforce Development and Literacy Act (1976): Speech 11" (2016).  
*Consolidated and Reformed Workforce Development and Literacy Act (1976)*. Paper 38.  
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Issue: 85/15 Rule

Background: As you know, the Higher Education Act contains a provision that prohibits a school from receiving more than 85% of their revenue from student aid. Last year the Congress passed and the President signed a one year delay in the regulations. In this bill the House has further modified the rule. They want the rule to begin with looking at the school in 1994; the regulations used 1992 as the beginning date. The House also states that federal, state, local and private contracts can be used to make up the necessary 15%. If necessary, we could compromise by making 1993 the applicable date and by permitting contracts to be used as the match as long as federal funds were not involved.

Talking Points: I favor a strong 85/15 rule. I simply do not believe that a school should receive more than 85% of its funds from federal student aid.

To my mind, it is very important that we get this provision implemented once and for all. As a compromise, I would propose that we use 1993 as the beginning date of looking at an institution's records. Second, I believe we should allow the use of contracts in complying with the 15% as long as those contracts do not involve federal funds.