

**American Association of Community Colleges
Position on Senate American Graduation Initiative (AGI)
December, 2009**

Representing the nation's nearly 1,200 community colleges, the American Association of Community Colleges (AACC) reiterates its strong support for President Obama's "American Graduation Initiative." AACC further supports funding the Initiative in FY 2010 budget reconciliation legislation by moving to 100% institutional participation in the Direct Lending program. The savings achieved by this change should also be used to significantly increase funding for the Pell Grant program. Pell Grant funding should take priority over other types of student aid funding, since it is so effectively targeted on the neediest college students.

Community colleges ask that forthcoming legislation on the American Graduation Initiative reflect the following priorities:

Grants to Community Colleges

Assuming that the Senate version of the AGI includes two phases of community college "reform" grants as in House-passed reconciliation legislation (H.R. 3221), the Senate bill should allow institutions to be eligible for second-round grants. H.R. 3221 limits these grants to states, providing competitive funds to engage in the "systematic reform" of community college systems. This policy is flawed. First, in a considerable number of states there is no public or private entity that has the expertise, authority, or relationship with its community colleges to engage in either "systematic reform" or a less sweeping effort to increase the number of individuals attaining a degree, certificate, or industry skills certification. Second, many institutions and consortia have the motivation and knowledge to help achieve the goals of the AGI. States should be allowed to compete for the grants, and many will likely receive them; but they should not be the sole grant recipients for the last 6 years of the 10 year program.

For every \$3 of Federal support provided, \$1 of non-Federal support should be contributed by the grantee. H.R. 3221 requires that grants be matched on a 1:1 basis, and this is immensely problematic for many community colleges, particularly at a time of extraordinary fiscal stress.

Grant recipients should only be required to set quantitative benchmarks in those areas, and for those purposes, for which they receive funding under the AGI. The statute must ensure that campuses are not required to meet benchmarks that do not relate directly to their grant applications. H.R. 3221 contains 11 far-reaching benchmarks.

Lastly, the legislation must ensure that the broad range of activities undertaken by community colleges to help their students succeed should stand an equal chance of being funded. This includes remedial education, transfer education, workforce programs, and creating linkages both to secondary schools and four-year institutions, among other activities.

Facilities Funding

Community colleges are in dire need of facilities funding, with an aggregate national need estimated at close to \$100 billion. However, flexibility is critical for the effective use of facilities funds on community college campuses. For example, many community colleges, or their states, lack the authority to issue debt financing. We therefore recommend that institutions be allowed to use facilities funds as grants so long as they are matched on a 3 to 1 basis from all non-Federal sources. The House legislation limits this match to private sources, which will reduce the program's viability on many campuses.

Transfer of Credit Reporting

The transfer of credit reporting provisions in H.R. 3221 need to be rewritten before the legislation is finalized. The House bill requires AGI grantees to include in the course schedule and catalog an indication whether each course is acceptable for credit at a 4-year college in the state. This language will badly mislead students, who will commonly assume that, because a course is accepted at one 4-year public institution in the state, it will be accepted broadly at all 4-year institutions, which is often not the case, due to the transfer student's proposed field of study or prior academic performance. Instead, each state that receives funds under the legislation should be required to develop a sophisticated, user-friendly Web-based program that comprehensively delineates the various transfer/articulation options for students in that state. All public institutions of higher education should have to provide a prominent link to that site.