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Washington Watch

AACC's Federal Policy Update



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March 31, 2017

Congress is working to reach agreement on a final funding measure for FY 2017 before the current stopgap appropriations bill expires on April 28. With only a month to reach consensus (and half of that time scheduled as a 2-week Congressional recess), the pressure is on to avert a government shutdown. The administration has requested \$18 billion in cuts to nondefense spending for FY 2017 (including \$1.3 billion from the Pell Grant surplus) to partially offset proposed increases to defense and border security. While Congressional appropriators have expressed concerns about making drastic cuts this late in the fiscal year, it does make it harder to wrap up this process.

Show Your Support for Student Aid Programs

AACC is one of a number of groups spearheading a sign-on letter to Congress in support of funding for federal student aid programs. The intent is to have a long list of institutions and organizations as signatories. A number of community colleges have already signed on. You can add your institution's name to the list [here](#). The deadline for signing onto the letter is Monday, April 3, at 5:00 p.m. (ET).

Register for AACC's 97th Annual Convention

Meet us in New Orleans for this year's convention, April 22–25. For more information, visit the [AACC website](#).

Join AACC on Capitol Hill

AACC is launching a new forum in Washington, DC, June 12–13. Community college leaders will be gathering in the nation's capital to advance the community college federal agenda at a critical time. Join us for [Advocates in Action](#).

Federal Agency Resources & News

Federal Work-Study Community Service Waivers—Institutions have until April 24 to [submit a request](#) for a Federal Work-Study (FWS) community service waiver per the U.S. Department of Education (ED). Absent a waiver, institutions participating in FWS must expend a percentage of FWS funds to pay both the federal share and the institutional share of wages to students employed in community service jobs. Waiver requests can be made on several bases, such as having a very small FWS allocation or being located in a rural area without community service job opportunities.

IRS Data Retrieval Tool for FAFSA Remains Unavailable—On March 30, the IRS and ED released a [joint statement](#) indicating that the IRS Data Retrieval Tool (DRT) would likely remain “offline until the start of the next FAFSA season” for security reasons. The statement also explains how applicants can complete the FAFSA or applications for income-driven repayment. Last week, the House and Senate education committees sent [a letter](#) to Education Secretary DeVos requesting assistance for the millions of students and families that rely on the DRT. For more, see [CC Daily](#).

ED Defends GE—Earlier this month, ED announced that the deadlines for filing appeals on the debt-to-earnings ratios under the gainful employment regulations had been extended. This week, ED defended the gainful employment regulations in response to a lawsuit filed by the cosmetology schools.

Policy Related Reports

As the 5-year tenure of the Center for Analysis of Postsecondary Education and Employment (CAPSEE) draws to a close, [CAPSEE](#) is releasing numerous reports generated from its research. The topics of reports published this month include the Federal Work-Study Program, performance requirements for Pell Grant eligibility, and the economic returns of less-than-4-year credentials.

Effectiveness of Federal Work-Study Program Mixed—The Federal Work-Study (FWS) program is showing its age, according to CAPSEE's [March 2017 Research Brief](#), calling its last 10 years stagnant. Annually about 700,000 students avail themselves of FWS funds, which for community college students represent about 66% of the published cost of tuition and fees. The formula used to distribute the funds, however, favors other types of institutions. Studies of the impact of FWS participation on first-year GPA shows modest negative effects. However, there are positive effects on persistence and graduation as well as likelihood of post-college employment.

Evidence of Earnings Premium of Sub-Baccalaureate Credentials—Going to a community college and earning an associate degree yields strong labor market returns as evidenced by an average of an additional \$4,600 to \$7,200 in annual earnings compared to those who did not complete their program. The returns for graduates of certificate programs are positive, but more modest. Even earning some credits is related with higher earnings, according to a [CAPSEE working paper](#). For more about the findings, see [CC Daily](#).

Poor Performance Put Many First-Term Pell Grant Recipients at Risk of Losing Eligibility

—According to another CAPSEE [March 2017 Research Brief](#) focused on performance requirements of Pell Grant recipients, one out of four first-year Pell students at public 2-year colleges fails to meet the satisfactory academic progress (SAP) GPA of 2.0. That rises to 42% failing either the GPA minimum or the credit-completion standard of at least two thirds of attempted credits. The results of a second study show that SAP can serve to encourage some (those very close to the threshold) or discourage other students (those very far below the threshold) from taking courses to improve their GPAs. The latter are more likely to leave college, resulting in a decline in Pell disbursements.

College Financially Out of Reach for Many—A couple of years ago, the Lumina Foundation sponsored an [Affordability Benchmark](#) project, with the resulting product serving as a guide to students and their parents as to their college costs. [A report](#) published this month by the Institute for Higher Education Policy (IHEP) looked at affordability for 10 different prototypical students (based on national datasets) using the Benchmark. Five of the students were independent and five dependent, but with varying family incomes. Not surprisingly, there was great disparity among the 10 students with regard to college affordability, with the more affluent having more choices of colleges to attend than those with fewer financial resources. For some students, loans were insufficient to make college affordable. Based on the findings, five recommendations were made aimed at federal and state policymakers and colleges. Protection and strengthening of the Pell Grant program was the top recommendation.

Nearly Half of Bachelor Degree Recipients Previously Enrolled in Public 2-Year Colleges—The importance of community colleges as gateway institutions is exemplified in the latest report of the [National Student Clearinghouse](#). A key finding was that “49% of all students who completed a bachelor’s degree at a 4-year institution had been enrolled at a 2-year public institution at some point in the previous 10 years.” In 20 states that percentage is even higher. While some of the students attended only one course, the vast majority (63%) were enrolled for three or more terms in 2-year public institutions.

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