2010 Community College Federal Legislative Landscape

January 7, 2010

• David Baime
  AACC Senior VP for Government Relations and Research

• Jim Hermes
  AACC Director of Government Relations

• Laurie Quarles
  AACC Legislative Associate
Overview of Presentation

- Update on 111th Congress
- American Graduation Initiative
- Jobs for Main Street Act
- WIA Reauthorization
- FY 2010/11 Budget and Appropriations
- Tax Policy
- Other Legislative Priorities
Second Session of 111th Congress

• Health Care Will Dominate Initial Weeks, With Economy Remaining Central Concern
• Fall Elections Will Serve to Compress Legislative Calendar
• Community Colleges Have Many Important Issues on Docket
American Graduation Initiative (AGI)/Budget Reconciliation Status

• Legislation is a Top Obama/Democratic Priority—Reviled by Minority
• H.R. 3221, Student Aid and Fiscal Responsibility Act, Passed House 9/17/09 on Largely Party-Line Vote
• Senate Companion Legislation Being Held Back Due to Health Care Bill (Reconciliation Dynamic)
• Senate HELP Committee Ready to Act With Green Light
House Version of AGI/ FY 2010 Budget Reconciliation

- Mandates 100% Direct Loan Participation by July 1, 2010 ($87 Billion in Savings Over 10 Years)
- Increases Pell Grant Maximum Annually by CPI + 1% to 2019 (Modified Obama proposal)
- Creates $2.5 Billion, 5-Year, State-Based Access and Completion Fund
- Simplifies and Revises Needs Analysis
- Funds HBCUs and HSIs
H.R. 3221, Sec. 503 Grants

- Provides $630 Million Annually Over 4 Years for Competitive Grants to “Eligible Entities” (Includes States and Area Career and Technical Schools)
  - Minimum Grant $750,000
  - 1:1 Match, In-Kind Permitted
  - Joint ED/DOL Administration
  - Grants to Support Innovative/Proven Effective Programs Leading to Degree, Certificate, or Industry-Recognized Credential
H.R. 3221, Sec. 503

• Colleges Must Choose Quantifiable Benchmarks From Statutory List of 11
• Grants can be Withdrawn After 3 Years if “Demonstrable Progress” Not Made
• Grant Priorities: Serving Nontraditional Students; Title III/V-eligible; Partnerships with Business, Labor, Philanthropy
• Misguided Transfer Reporting Requirement
H.R. 3221, Sec. 504 State Grants

- Years 5 to 10 of AGI—Six-Year Grants to States to “Systematically Reform” Community College Systems—90% of Funds to Colleges
- Grants Informed by Results of Sec. 503 Grants
- Other Eligibility Criteria: Articulation, Data Systems, Persistence Plan
- $630 Million Annual Funding; 1:1 Match; “Supplement, Not Supplant”
H.R. 3221 CC Facilities (Sec. 351)

- $2.5 Billion in FY 2010
- States Receive Funds on Basis of Relative CC Enrollments; Broad Latitude on Allocation
- Funds to Reduce CC Financing Costs, Capitalize Revolving Fund, Provide Matching Funds for Capital Campaigns
- New Construction, Modernization, Renovation
H.R. 3221 CC Facilities Funding

- 3:1 Match Required
- 50% of Campus Assistance Must be Used for Projects Meeting Green Standards
H.R. 3221 “National Activities”

- $50 Million in Grants Over 10 Years to Develop Open, Online Courses for Training, High School, and College Courses
- $50 Million Over 4 Years for:
  1. “Learn and Earn Research Center” to Develop Metrics to Measure CC Effectiveness
  2. Fund Development of “Interoperable” State Data Systems
H.R. 3221 Transfer Requirements

• Sec. 503 Grantees Must Include in Course Schedules Each Course’s Transferability to 4-Year Publics—AACC Opposes
• Authorizes Secretary of Education to Develop National Transfer Platform
• Requires States Getting Sec. 504 Grants to Develop and Implement Public Institution Articulation (AACC Proposal)
AACC Proposed Changes to H.R. 3221/Senate Priorities

• Restructure Second Phase of Grants—Eliminate State “Systematic Reform” and Replace With Competition or Grant Extension
• Reduce 1:1 Match to 1:3 or Better
• Overhaul Transfer Provisions
• Broaden Use of Facilities $
• Expand Priority Language to Include Remedial Education and Persistence
Jobs For Main Street Act (H.R. 2847)

• Passed House December 16 by 217-212. No Republican Support; 38 Ds Voted “No”
• $154 billion total funding; $75 Billion From TARP:
  • $48.3 billion mostly for infrastructure projects
  • $26.7 billion for public sector jobs, mostly education
• Senate to Consider in Early 2010
Jobs For Main Street Act

• Education Jobs Fund - $23 billion:
  – Distributed to States under ARRA State Fiscal Stabilization Fund
  – 95% of Funds to go to K-12 and Public Institutions of Higher Education
  – Funds for Job Retention, On-The-Job Training, or Job Creation in Educational Services or Facilities Projects
Jobs For Main Street Act

• Education Jobs Fund (cont’d)
  – In-State Allocation Not Prescribed; Governors to Allocate K-12/Public IHE Funding in Proportion to Previous Reductions
  – ARRA Assurances Not Included
  – H.R. 4196 In The Mix
Jobs For Main Street Act

• Department of Labor Funding
  – $1.25 billion for DOL Job Training:
    • $500 Million for Summer Youth Employment
    • $750 Million for Worker Training (Competitive Grants)
      – $275 Million for “Green Jobs” -- $225 Million for Pathways Out of Poverty
      – $475 Million Prioritized for Health Care Job Training

• Federal Work-Study: $300 million
Workforce Investment Act (WIA) Reauthorization

• WIA Reauthorization is Longstanding AACC Priority, and 5 Years Overdue

• Congress and Obama Want Reauthorization Legislation Enacted in Early 2010, But Many Priorities Compete
WIA Reauthorization

• Big Picture AACC Priorities
  – System Should Emphasize Postsecondary Training and Credential Attainment
  – Community Colleges Should be Partners, Not Vendors

• Specific AACC Priorities:
  – Provide More Training Capacity Support
    • Authorize Career Pathways (Former CBJTG)
    • More Contracts, Fewer Vouchers
WIA Reauthorization

• AACC Priorities

  – Fund Innovation in Workforce Delivery
    • Regional Organization
    • Sector-Based Initiatives
    • Incentive Grants

  – Remove Current Impediments to Training
    • Remove “Sequence of Services” Language
    • Streamline Trainer Eligibility – Make Automatic for Public Institutions
    • Accountability Requirements Should Encourage Longer-Term Programs
WIA Reauthorization

• AACC Priorities:
  – Strengthen Pathways to Postsecondary Education and Training via Adult Education and Youth Services
  – Improve Governance and Operations:
    • Streamline and Re-Focus WIBs
    • Directly Support Infrastructure
FY 2010 Appropriations

• Consolidated Appropriations Act of 2010 Enacted 12/16/09
• Pell Grant Maximum Increased by $200, to $5,550
• Modest Increases for Title III-A and Title V, TRIO and GEAR UP
• Most Programs Level-Funded
• Funding for the NSF ATE Program Restored – Big AACC Victory
FY 2011 Budget & Appropriations

- Contentious Process Expected; Pressures to Reduce Deficit and Cap Spending
- Spending on Domestic Programs Could be Cut or Frozen
- AACC Top Funding Priorities include Pell Grants, Institutional Aid, and Career Pathways
Tax Policy

• American Opportunity Tax Credit (AOTC) Expires in 2010 and Needs Extension

• Vast Improvement Over Hope Tax Credit:
  --$2,500 Maximum With Metric Tilted Towards Low-Cost Institutions
  --Makes “Supplies and Equipment” Eligible
  --40% Refundable

• AACC Goals: Reauthorization; Expansion of Eligible Expenses; Eliminate Pell Offset; Focus on Needy
Tax Policy

• Section 127 of Tax Code: $5,250 of Tax-Free Employer-Provided Educational Assistance

• Major Boon to Community Colleges; Expires in 2010 Along with Major Bush Tax Cuts

• AACC Priority: Make Section 127 Permanent!
Other Legislative Priorities

- DREAM Act – Support Legislation That Allows Longtime Resident Undocumented Students to Apply for Legal status, In-state Tuition, and Title IV Aid
- ESEA (No Child Left Behind) Reauthorization
- Sustainability – Community College Renewable Energy Training Assistance
- TANF Reauthorization – Expand Vocational Education Time Limit from 12 to 24 Months
Contact Information

• David Baime  
  dbaime@aacc.nche.edu

• Jim Hermes  
  jhermes@aacc.nche.edu

• Laurie Quarles  
  lquarles@aacc.nche.edu