

2010 Community College Federal Legislative Landscape

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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- Grants can be Withdrawn After 3 Years if “Demonstrable Progress” Not Made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—AACCC Opposes
- Authorizes Secretary of Education to Develop National Transfer Platform
- Requires States Getting Sec. 504 Grants to Develop and Implement Public Institution Articulation (AACCC 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 AACCC Victory

FY 2011 Budget & Appropriations

- Contentious Process Expected; Pressures to Reduce Deficit and Cap Spending
- Spending on Domestic Programs Could be Cut or Frozen
- AACCC 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
- AACCC 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

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