

AMERICA'S COLLEGE PROMISE AND AUGUST RECESS UPDATE



AACC Federal Legislative Webinar

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TOPICS

- **America's College Promise**
- **FY 2016 Funding**
- **Higher Education Act (HEA) Reauthorization**
- **Campus Safety/Sexual Assault**
- **Tax Reform**
- **Workforce Development Legislation**
- **ED Regulations**

AMERICA'S COLLEGE PROMISE

- **Administration's Proposal—Overview and Key Themes**
 - Takes long view – sees proposal as step towards eventual establishment of universal postsecondary education.
 - Draws parallel to universal high school implementation in early 20th century.
 - Executive branch (and outside groups) promoting state and local-based efforts, keyed to local circumstances.
 - Plan comes with a variety of conditions, particularly for states.

ACP LEGISLATION

- **Identical Democratic Legislation, Modeled on Obama Plan, Offered in House and Senate**
 - H.R. 2962, Rep. Bobby Scott (VA)
 - S. 1716, Sen. Tammy Baldwin (WI)
- **AACC Strongly Supportive, Communicated to Field and Hill**
- **4-Year HBCUs and MSIs Included in Bill (not in Obama Plan)**
- **Legislation is Extremely Positive; Hill Responsive to Early CC Input**
- **Bill Has Massive Price Tag and is Not “Paid For”**
- **Much Smaller Bipartisan Legislation May Be Forthcoming**

ACP LEGISLATION

- **Grants To States**

- Federal Share = 75% of average national, resident community college tuition amount per eligible student.
- State share = 25% of average national, resident community college tuition amount per eligible student.
- Need-based state financial aid included in state share.
- No in-kind contributions.
- “Excess” funds may be used for expanding free tuition to other programs, expanding program capacity and dual enrollment, increasing affordability of four-year institutions.

ACP LEGISLATION

- **State Eligibility Requirements**
 - Waive tuition for all eligible students in:
 - degree programs that are fully transferable to a four-year degree program.
 - occupational skills training programs that lead to a recognized postsecondary credential in an in-demand sector or occupation.
 - Alignment between secondary and postsecondary institutions, and community colleges and 4-year institutions.
 - Occupational programs meet WIOA quality standards.
 - Improved performance of public institutions through funding reform, including performance-based funding (no “substantial” requirement).
 - Public higher education spending maintenance of effort requirement.

ACP LEGISLATION

- **Student Eligibility Requirements**
 - First-time students only, must be enrolled at least half-time.
 - Meets Title IV “satisfactory academic progress” standards (not 2.5 GPA requirement as per President).
 - Qualifies for resident tuition.
 - Enrolled in an eligible program; 3 calendar years limit on eligibility.
 - No income cap (as proposed by President).

ACP LEGISLATION

- **Institutional Requirements**

- Adoption of evidence-based reforms and innovative practices to improve student outcomes.
 - Support services, accelerated learning, improved developmental education, etc.
- Participating colleges must have a Title IV Program Participation Agreement.

FY 2016 FEDERAL FUNDING

- **Both Appropriations Committees Have Reported FY '16 Labor-HHS-ED Legislation**
- **House Bill Far Superior to Senate's But Not Ideal (Taps Pell Surplus)**
- **Spending Deeply Constrained by BCA Caps for Foreseeable Future**
- **Obama Will Have Say Later this Year in "Endgame"**
 - Budget deal likely, though CR (with likely flat funding) is possible.
- **Funding Increases Hard to Come By In Near Term**

HEA REAUTHORIZATION

- **Law Needs to be Extended by Sept. 30 of This Year**
- **Extensive Hearings Conducted To Date, Few More Expected**
- **Senate Locus of Recent Activity**
 - Three white papers (data/transparency; accreditation; risk sharing); AACC and ACCT filed responses.
 - 4 bipartisan working groups of committee members: affordability, accountability, accreditation, sexual assault.
 - Bipartisan bill by fall and mark-up thereafter?
 - Likely will propose large structural changes to statute.
- **House on Longer Timeline**
 - Legislation likely to emerge in piecemeal form (2014 bills dropped before August recess), bundled later.

AACC HEA POSITIONS—PELL GRANTS

- **Maintain Stability of Program—Preserve Current Structure and Funding, Including Annual Inflationary (CPI) Increases**
- **Reinstate Year-Round Pell Grant**
- **Fully Reinstate Ability-to-Benefit Eligibility**
- **Establish Short-Term Training Eligibility**

AACC HEA POSITIONS+LOANS

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- **“De-Couple” Pell Grant Eligibility From That For Loans**
- **Allow Colleges to Reduce Loan Amounts for Defined Categories of Students**
- **Establish Separate Limit on AA Borrowing (\$18,750)**
- **Raise “Participation Rate Index” for Colleges in Default Jeopardy**
- **Create Student Default Risk Index (SDRI)**
- **Support Annual Loan Counseling (Along with Pell Grant Counseling?)**

AACC HEA POSITIONS— MEASUREMENT/GRADUATION RATES

- **VFA is Primary Lens to Evaluate Proposals**
- **Federal Unit-Record Data System Should be Established**
- **300% of “Normal Time” (Six Year) Plus Transfer Should be Official Graduation Rate for CCs**
- **Earnings Data from SSA Should Be Provided on Program Basis (a la Gainful Employment)**
- **Consumer Testing Needed to Optimize Data Presentation**

HEA REAUTHORIZATION-PROGRESS

- **“Prior-Prior Year” Broadly Accepted**
- **Year-Round Pell Grant Looking Good**
- **Institutional Loan Discretion Getting Traction**
- **Interest in Pell Grant Eligibility for Short-Term Programs**
- **Prorating Loans to Enrollment Intensity Has Support**
- **“Bright Lines” on Outcomes Not Part of Debate**
- **New Metrics for Institutional Loan Performance Have Promise**
- **Focus on Enhanced State Role, Especially in Senate**
- **Deregulation Effort has Real Momentum and Heft**

HEA REAUTHORIZATION+CONCERNS

- **No New Money Available- “Zero Sum Game” is Prevailing Assumption**
- **Institutional Risk-Sharing on Student Loan Defaults Has Legs**
- **Little Support for “De-Coupling” Pell from Default Rate Sanctions**
- **Graduation Rate Position (Six Years for CCs) is Meeting Opposition**
- **There are 100 Senators**

CAMPUS SAFETY/SEXUAL ASSAULT

- **AACC Has Become Major Player in Advocacy as Campus Accountability and Safety Act Is Debated**
- **CCs Not Generally Associated with Issue but Greatly Impacted**
- **Fundamental Differences Between CCs and Other Institutions Difficult to Integrate Into Regulatory Scheme**
- **Concrete Measures to Ensure Safety Can Be Obscured in Debate**
- **Charged Nature of Debate Can Impair Policymaking**

TAX REFORM, ETC.

- **Could Impact Many Aspects of Community Colleges, But Nothing Comprehensive Will Occur This Congress**
- **AOTC Reform of Paramount Importance; Progress Has Been Made on Pell Offset Inequity**
- **Also at Stake: Tax-Exempt Financing, Charitable Contributions, 1098-T**
- **Fair Labor Standards Act NPRM**

WORKFORCE DEVELOPMENT

- **WIOA Regulations Present Important Issues for CCs**
 - Access to earnings data.
 - Measurement of program success.
 - Involvement in state plan.
 - Funding of One-Stops.
- **Perkins Act Reauthorization is on Docket**
- **Apprenticeship Funding is Pending**

ED REGULATION

- **Gainful Employment, Round 2, Has Taken Effect**
 - Little to no impact on program eligibility, but significant reporting burden.
- **New “Pay as You Earn” Proposed Rules (AACCC has Endorsed)**
- **ED Experimental Sites**
 - Loan limitation.
 - Short-term training programs.
 - Pell Grants for incarcerated students.
- **Ratings System Retreat as Advocated by AACCC**
 - New information scheme to be unveiled shortly.

KEEP IN TOUCH!

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www.aacc.nche.edu/Advocacy/Pages/default.aspx

August Advocacy Document:

http://www.aacc.nche.edu/Advocacy/AdvocacyNews/Pages/08122015_1.aspx