America’s College Promise and August Recess Update

AACC Federal Legislative Webinar

August 12, 2015

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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
• 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
  - 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
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.
• **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.
• **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).
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.
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
“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?)
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
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
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 (AACC has Endorsed)
- ED Experimental Sites
  - Loan limitation.
  - Short-term training programs.
  - Pell Grants for incarcerated students.
- Ratings System Retreat as Advocated by AACC
  - 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