Community College Legislative Priorities: Fall 2012

In its current lame duck session, Congress will address issues of crucial importance to the nation’s economic health. Community colleges urge Congress to recognize the need to continue investing in education and workforce training while reducing the federal deficit. Specifically, Congress is urged to

1. **Avoid Sequestration in Favor of a Balanced Approach to Deficit Reduction.** Sequestration’s across-the-board cuts would have a devastating impact on non-defense discretionary programs. Funding for Pell Grants is exempt from automatic cuts in FY 2013, but many other programs vital to community college student success and institutional improvement would be sliced by 8.2%. These include TRIO, GEAR UP, Perkins Career and Technical Education, Adult Education, Trade Adjustment Assistance Community College and Career Training Grants, Workforce Investment Act programs, and many more. Cuts of this magnitude would severely impair the ability of community colleges to provide Americans with the education and skills they need for the 21st-century economy. Congress must consider all avenues in devising a balanced approach to deficit reduction.

2. **Extend the American Opportunity Tax Credit (AOTC).** The AOTC expires at the end of 2012. It replaced the Hope Scholarship tax credit with a more generous credit that better serves community college students. The AOTC is larger than Hope ($2,500 vs. $1,800) and is calculated using a formula that helps students attending low-tuition institutions—for example, it covers books and course materials as well as tuition. The AOTC also is partially refundable, so low-income students with little or no tax liability can benefit from the credit. The credit is reaching millions of community college students each year, and we urge Congress to extend it.

3. **Continue the Trade Adjustment Assistance Community College and Career Training Grant Program (TAACCCT).** In 2010, Congress provided $500 million for each of FYs 2011–14 for the TAACCCT program, which competitively funds initiatives run by individual and consortia of community colleges to build innovative programs to retrain TAA-certified and similarly situated workers. The TAACCCT program is the type of investment in workers skills that businesses say is desperately needed to grow the country’s economy. The funds that are granted through this program leverage significant additional resources. Congress should ensure that funds are preserved to conduct the next two grant competitions as planned.

Either during the lame duck session or early next year, Congress will finalize appropriations legislation for the remainder of FY 2013. The federal government is currently operating under a continuing resolution that expires March 27. When the FY 2013 Labor, HHS, and Education appropriations legislation is finalized, community colleges strongly support the following positions on items contained in the Senate’s FY 2013 Labor, HHS, and Education appropriations bill:
1. **Restore Title IV Eligibility for Ability-to-Benefit (ATB) Students in Career Pathway Programs.** Earlier this summer, the Senate Appropriations Committee approved FY 2013 Labor, HHS, and Education (LHHS) appropriations legislation that restores Title IV eligibility for students who do not possess a high school diploma or GED but who show the ability to benefit from college-level course work and are enrolled in career pathway programs. This is not a full restoration of the Title IV ATB eligibility that was eliminated in FY 2012 appropriations legislation, but it is a significant step in the right direction, and one focused on a growing number of community college programs. The corresponding House legislation does not contain this provision, and AACC urges Congress should to adopt the Senate position on ATB students in the final LHHS appropriations legislation.

2. **Preserve Full Pell Grant Eligibility for Community College Students Enrolled 100% in Online Courses.** The Senate Labor, HHS, and Education bill alters the Pell Grant program to exclude living expenses for students enrolled entirely in online courses. The impetus for this provision, which would only affect community college students (because of low community college tuition), was a U.S. Department of Education Inspector General’s report on fraud in the Pell Grant program. As important as combating Pell Grant fraud is, this provision is far too blunt an instrument that will negatively affect a great number of innocent students. In addition, it unfairly discriminates against distance education and sets a dangerous precedent. When the House and Senate draft final appropriations for FY 2013, this provision should be dropped.