AACC Fall Legislative Preview

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AACC Fall Legislative Preview

- Community College and Career Training Program (TAA)
- Gainful Employment Regulations
- American Opportunity Tax Credit (AOTC)
- FY 2011 Appropriations
- Education Jobs & FMAP
- DREAM Act
- White House Community College Summit
- AACC 2010 Washington Institute
Community College And Career Training Program (CCCTP)

- $500 Million per Year for Four Years
  - Funded in Health Care and Education Reconciliation Act of 2010 (P.L. 111-152).
  - Minimum of 0.5% of funds to institution(s) in each state, but no state distribution per se.

- Competitive Grant Program under the Trade Adjustment Assistance Act (TAA)
  - Funds not limited to serving TAA recipients but design must reflect their needs: “building the box.”
Community College And Career Training Program

• Solicitation for Grant Applications (SGA) Expected in Early October
  • Likely intersection with the White House Community College Summit.
  • Applications due early next year, and awards may be announced in the Spring.
Community College And Career Training Program

• **Individual Grants Start at about $2.5 Million over Three Years, Consortia Grants Higher**
  - Institution may be fiscal agent on only one grant per year, but may be partners in other consortia.

• **Reform and Innovation Emphasized—Not for Mere Program Expansion**

• **Uses of Funds**
  - Curriculum development, equipment, faculty time, etc.
  - No real property; renovation of existing property may be possible.
  - Tuition not included; tuition charges not envisioned in early phase of grants.

• **Strong Evaluation Component Required**
Gainful Employment Regulations

• ED is Proposing New Student Aid Eligibility Standards for Virtually All For-Profit School Programs and Certificate Programs at Non-Profit Institutions

• Effort Driven by For-Profit Sector Abuses/Expansion (Senate Hearings)

• Community Colleges Have Much at Stake

• Regulatory Scheme Reflects Significant New Federal Role in Higher Education
**Gainful Employment Regulations**

- Regulations Advanced Through Two ED “Notice(s) of Proposed Rulemakings” (NPRM)
  - First NPRM 6/18/10 included broad range of issues (credit hour, ATB, Satisfactory Academic Progress) as well as reporting framework for gainful employment.
  - AACC filed comments and joined with American Council on Education—focus on gainful employment implementation.
Gainful Employment Regulations

• July 26 NPRM Focused Solely on Gainful Employment
  • Regulation requires programs to meet standards relating to loan repayment and debt-to-income ratio to retain full eligibility.
  • AACC position would largely neutralize impact on community colleges.
  • CEOs have been asked to reinforce message.
American Opportunity Tax Credit (AOTC)

- American Opportunity Tax Credit Created in ARRA (Out of Hope Scholarship) but Expires in 2010
- AOTC Far Preferable to Community College Students than Hope Scholarship
  - Larger ($2,500) credit better geared to low-cost institutions.
    - 100% of first $2,000 in tuition, 25% of next $2,000
  - Credit covers “course materials.”
  - 40% refundable.
American Opportunity Tax Credit

• Extending AOTC Is a Challenge
  • Significant cost in a deficit-haunted Congress.
  • Likely to become enmeshed in debate over expiring Bush tax cuts.

• Potential Enhancements
  • Eliminating Pell offset that reduces AOTC for poorest students.
  • Expanding eligible expenses (transportation, living costs).
  • Your Help Is Needed!
FY 2011 Appropriations

- Congress More Behind Schedule Than Usual
  - No Congressional Budget Resolution.
  - No approved FY 2011 Appropriations bills (of 12).
  - Only three weeks until FY 2011 Starts on October 1.

- Path Forward for FY 2011 Appropriations bills is Unclear; Elections Cloud Process
FY 2011 Appropriations

• Labor, HHS, and Education Appropriations
  • Senate Appropriations Committee approved bill on July 29.
    • $66 billion in discretionary funding for ED (versus $63 billion in FY 2010).
  • House Labor, HHS and Education appropriations subcommittee approved draft bill on July 15.
    • $73 billion for ED (including more than $5 billion to address Pell shortfall).
    • Difference between House and Senate largely attributable to Pell funding.
  • Difficult to compare Congressional total funding levels to Obama’s FY 2011 budget request for higher education because his budget assumed that Pell Grants would become an entitlement program.
FY 2011 Education, Labor Appropriations

• Pell Grants: $5,550 maximum award; $5.7 billion
Pell Grant Shortfall Issue

• Career Pathways Innovation Fund: Eliminated in
Senate Bill per Administration Request

• Senate: Modest increases in Title III-A, HSIs, &
International Education; DOL Job Training
Programs

• Essentially Level Funding for Perkins CTE

• Specific House Funding Levels Not Available
Education Jobs and FMAP

• $26 Billion in Aid to States Passed by Congress and Signed into Law On August 10
  • Public Law 111-226 provides $10 billion for the education jobs fund, which states can use to retain and hire K-12 teachers and other public school personnel.
  • Based on the Murray-Harkin amendment to H.R. 1586, P.L. 111-226 also provides $16.1 billion for federal Medicaid assistance to the states.
  • Important maintenance of effort (MOE) language included in bill.
The DREAM Act

• **Final Push for Passage of the DREAM Act This Fall**
  
  • Establishes path to legalization for qualifying students; removes federal ban on in-state tuition for undocumented students.
  
  • H.R. 1751 – 128 co-sponsors.
  
  • S. 729 – 40 co-sponsors.
  
  • Small window of opportunity for bill to be considered as a stand-alone or smaller immigration package by the end of the year; 60 votes needed in Senate.
The White House Community College Summit

- Announced by President Obama Upon Signing Health Care and Education Reconciliation Bill
- Likely to Occur First Week of October (GUESS is 5th, 6th, or 7th)
- Broad Array of Participants—Not Just CC Reps
- Discussions to be Focused on Specific Topics—“Best Practices”
- Massive Media Coverage Expected
AACC’s 2010 Washington Institute

• November 7-9, 2010 at the Washington Court Hotel in Washington, DC
  
  • Seminar designed for community college CEOs, development officers, government relations directors, and others interested in the formulation of national education policy and Congressional relations.
Questions & Answers