

# AACC Federal Policy Update: Tricks or Treats from Washington, D.C.?

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# Topics

- FY 2020 Funding
- Higher Education Act (HEA) Reauthorization
- DACA





# FY 2020 Federal Funding

- Appropriations Process Currently in Stalemate
  - None of 12 appropriations bills enacted
  - Senate process stymied over funding levels, riders
  - House bills written to higher spending levels than eventual deal allowed
  - Funding for border wall a major factor
- Continuing Resolution Expires November 21
  - Another CR is almost certain
  - Next CR may last into Spring 2020
  - Impeachment proceedings could “take air out of the room”
- LHHS - ED Final Allocation Not Yet Determined
  - House bill: \$12 billion increase
  - Senate draft bill: essentially level with FY 19
  - Eventual funding level likely to be between the two - but when?

# FY 2020 Federal Funding

- Most CC Funding Priorities in Senate Depend on Additional Resources
- Senate Draft Generally Flatlines Education and Training Programs
- Highlights of House-Passed Legislation Include:
  - Strengthening Community College Training Grants (new, \$150 M program)
  - Increases to many AACC priority student aid, grant programs
  - \$150 Pell Grant maximum increase provided via Pell surplus
    - Senate proposal: \$135 (in Republican draft)



# Higher Education Act (HEA) Reauthorization Landscape

- No Obvious Path to Enacting Legislation
- College Affordability Act (H.R. 4674) Approved by House Ed & Labor Committee October 31
  - Floor consideration unscheduled
  - Senate will not use House bill as model
- Student Aid Improvement Act (S. 2257) Introduced by HELP Chair Alexander
  - Not a comprehensive reauthorization bill
  - Includes need analysis changes, simplified FAFSA, short-term and second chance Pell
  - Senate Dems do not support, want comprehensive bill
  - House Dems have indicated bill would be DOA in House

# College Affordability Act (CAA), H.R. 4674

- Authorizes Significant New Resources for Student Aid and Other Programs
  - Huge bill (1200 pp.)
- Derived from “Aim Higher Act,” Democrats’ 115<sup>th</sup> Congress Legislation
- Numerous New Reporting, Staffing and Other Institutional Requirements - Along With Resources
- AACC (with ACCT) [Letter](#) to Committee Prior to Markup
- AACC [Summary](#) of Key Provisions
- [AACC HEA Priorities](#)



# College Affordability Act (CAA) - Pell Grants

- Pell Grants - General
  - \$625 added to maximum grant in AY 2021-22, automatic CPI increases thereafter
  - Lifetime eligibility expanded from 12 to 14 semesters (remedial exempted)
  - ED report on “unusual enrollment history” (Pell runners)
- Pell Eligibility Extended to Short-Term Programs
  - 150 - 599 clock hour programs
  - Most of JOBS Act incorporated
  - Troubling provisions added:
    - Income requirement - above average high school graduate
    - Schools on HCM ineligible
    - Program must be part of career pathway
    - Completion benchmarks borrowed from short-term loans provision
    - Gainful employment applied

# College Affordability Act (CAA) - Pell Grants

- **Ban on Pell Grants for Incarcerated Individuals Eliminated**
  - Direct charges rules create “cliff” between Pell and non-Pell students
  - Several requirements for programs to be offered in prisons
    - Equivalency between prison and non-prison programs
    - Information dissemination to incarcerated students
    - Reporting requirements
    - No adverse accreditation actions
  - ED approval every 5 years
- **Postbaccalaureate Students Gain Pell Eligibility**
  - Students who received Pell as undergraduates and otherwise qualify may use any time remaining on 14 semester lifetime limit in post-bacc program
  - AACC opposes
    - Supports targeted program for financially needy graduate students



# College Affordability Act (CAA) - Data/Accreditation

- No 300% of “Normal Time” Graduation Rate Standard
- Student Unit-Record Data System Created
  - Longstanding AACC priority
  - ED authority to add additional data elements problematic
- Significant Accreditation Changes
  - Working groups to be convened to define key terms
  - Goals required in 3 areas of student achievement
    - Completion, workforce participation, progression
  - ED has authority to require accreditor revision of performance benchmarks
    - AACC opposes - unwarranted and unproductive federal role; back door to ED imposing “bright line” standards



# College Affordability Act (CAA) - Campus Programs

- SEOG and FWS Allocation Formulas Improved
  - Shift over time to “fair share” allocation that is based on student need
    - Current allocation favors historical participation
  - FWS performance bonus is problematic
    - Pits community colleges against better-resourced institutions
    - Uses 150% of “normal time” metric
- Child Care Program (CCAMPIS) Enlarged and Modernized
  - \$200M authorization quadruples program’s current size
  - Performance bonus and heightened quality requirements are concerning
  - Norcross amendment broadens uses of funds to include expanded services (evening, before and after school, etc.) and services to expectant parents



# College Affordability Act (CAA) - Student Eligibility

- Title IV Eligibility for Dreamers/DACA Recipients
- FAFSA Simplified and Needs Analysis Improved
  - Auto-zero EFC for recent recipients of federal means-tested benefit
  - One-time FAFSA
- Two Loan Repayment Plans
  - Fixed plan - length of repayment based on loan principal
  - Income-based repayment - 10% of difference between family income and 250% of poverty line

# College Affordability Act (CAA) - Institutional Eligibility

- **New Loan Repayment Rate Metric**
  - On-time repayment percentage = percentage of borrowers who have been in repayment for 3 years that have made at least 90% of payments on time
  - ED would set threshold rates and time for Title IV eligibility
  - Metric does not apply if institution's instructional expenses are at least 1/3 of its tuition and fee revenues
- **Adjusted Cohort Default Rate Based on Borrowing Level**
  - 3, 6 and 8 year rates that multiply defaults by percentage of students that borrowed
- **Obama Gainful Employment Regulations Codified**
  - Still only applies to non-degree programs at publics and non-profits
  - Altered metrics may include non-completers in debt/earnings calculation, problem for CCs
- **Competency-Based Education (CBE) Demonstration**
  - CBE on CC campuses well beyond demonstration program phase
  - Unrealistic reporting requirements
  - Narrow conception of CBE



# College Affordability Act (CAA) - Grant Programs

- America's College Promise
  - Provisions similar to past versions (Obama 2015 proposal)
    - First dollar - no community college tuition
    - 3 years of student eligibility (1/2 time or more)
    - Federal grants based on national tuition averages; 1/3 state match
    - State Participation Uncertain
- New Grant Programs
  - Dual enrollment (grant program through states)
  - Emergency student grants
  - Community college student success program
  - Remedial education grants

# DACA

- Supreme Court to Hear DACA Case on November 12
  - Decision to come between then and June 30, 2020
- AACC Signed Amicus Brief Supporting Plaintiffs
- Outcome Could Put Issue Back Onto Congressional Agenda



Thank You!

See You at the NLS (Feb 10-12)

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[www.aacc.nche.edu/Advocacy/Pages/default.aspx](http://www.aacc.nche.edu/Advocacy/Pages/default.aspx)

