

## **Community Colleges' Top Priorities in Senate Stimulus "4.0" Legislation**

Community colleges and their students are in dire need of Federal support as they work their way through the challenges of the COVID-19 pandemic. AACC urges the U.S. Senate to approve legislation that reflects the following priorities:

### **1) Provide \$46 Billion for Community Colleges / Higher Education, Using the Institutional Allocation Formula and Related Policies in H.R. 6800**

The Senate needs to provide at least \$46.6 billion for higher education in the fourth stimulus bill. This is the bare minimum required to meet the needs of community colleges, many of which are headed for severe financial crises without significant federal support. The economic and social benefits of sustaining community colleges are greater now than ever. Maintaining community college viability is essential to sustaining local economies and providing essential educational opportunity.

- In allocating any formula funds to institutions, the Senate should use the per-student, headcount-based formula in H.R. 6800. This reflects student populations and relative institutional needs better than the CARES Act. Funds should be provided directly to institutions from the U.S. Department of Education (ED).
- Any funding should be sufficiently flexible for institutions to address student and institutional needs. The language in H.R. 6800 achieves this end—it enables institutions to use funds to backfill the dramatic drops in public support and declining enrollments, while supporting students and modifying campus activities to adapt to COVID-19.
- The language on student emergency grants in H.R. 6800 is fairer and will work more efficiently than that in the CARES Act. Senate legislation should retroactively apply this language to CARES Act grants as well as any additional student-focused funding that may be provided.
- Community colleges support tough but realistic state maintenance-of-effort language. The language in H.R. 6800 is not tenable given current state fiscal realities. States should be required to continue to devote no less than the same percentage of their budgets (including any stabilization resources provided to them through the stimulus 4.0 legislation) that they provided to higher education (including need-based student aid) in fiscal year 2019.

### **2) Establish Dedicated Community College Job Training Funding**

- The federal government needs to immediately provide to community colleges training support for individuals ravaged by the recession. \$1 billion should be allocated in each of fiscal years 2020 and 2021, with funds available through FY 2023.
- Programs would need to be aligned with local business priorities, and institutions would need to specify the number of individuals who would be trained, the programs supported, and the expected labor market outcomes. Priority should be given to individuals who have either lost employment or suffered financial distress because of COVID-19.
- Workforce programs are particularly costly and difficult to deliver in the current environment, making federal support imperative.

- Dedicated community college workforce education programs historically have received, and continue to receive, strong bipartisan support from both the Legislative and Executive Branches.

### **3) Temporarily Alter the Lifetime Learning Tax Credit to Cover \$2,000 in Workforce-Oriented Training**

- The Lifetime Learning Tax Credit (LLC) needs to focus on helping individuals develop job-oriented skills. Through the end of 2022, the LLC should cover 100% of an individual's first \$2,000 of tuition and qualified expenses. This change is supported across higher education.
- This adjustment would foster mobility as the economy recovers. Currently, the LLC is overwhelmingly beneficial for graduate and professional students, at the expense of working community college students.