WHAT THE FY 2021 FINAL FUNDING BILL MEANS FOR COMMUNITY COLLEGES & THEIR STUDENTS

IMPLEMENTATION ISSUES & NEW FEDERAL POLICY LANDSCAPE

AMERICAN ASSOCIATION OF COMMUNITY COLLEGES:

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WEBINAR TOPICS

- Pandemic Relief Supplemental Appropriations (CRRSA)
- CRRSA Implementation Issues
- FAFSA Simplification Legislation
- Special Election Outcome and Senate Landscape
- Biden Administration Agenda
CONSOLIDATED APPROPRIATIONS ACT, 2021 - EDUCATION STIMULUS (CRRSA)

- Education - $82 Billion
  - Higher education - $22.7 billion (~50% greater $ than CARES Act)
  - K-12 - $54.3 billion
  - Governors (GEERF)- $4.05 billion, $2.75 billion for private K-12 students
$22.7 Billion Overall:
- Main formula program - $20.2 billion ($12.5 billion in CARES)
- Titles III and V of HEA- $1.7 billion
- For-profit college student grants - $680 million
- FIPSE grants - $113 million (not likely to go to CCs)
- Program structure very similar to CARES Act
- Student spending must equal CARES $ amount (not %)
- Title III/V program allocation to track FY 2020 funding levels
- State education MOE requirement (enforceability critical)
Uses Basic Formula Derived From CARES:
  75% Pell, 23% Enrollment, 2% Full Distance Education Students

Within Each Category:
  50% Headcount, 50% FTE

For-Profits Excluded

AACC Provided Institutional Allocation Estimates to CEOs 1/6/21

ED Expected to Announce Allocations and Availability by January 19

New Rules Retroactive to CARES Unspent $
Expectation is that Awards Will be Supplemental to CARES; New Law Will Apply to Unspent CARES Act $

Colleges Have 90 Days to Apply After $ Availability Announced (law) – File Your Year-End HEERF Report!

Colleges Have 6 Months to Report to Secretary on Use of Funds (law)

New Administration Could Alter Any Trump-Promulgated Policies

Role of “Guidance” v. Regulation Raised by CARES Act
FORMULA PROGRAM – INSTITUTIONAL SHARE

- Broader Institutional Use of Funds Language than CARES (which was problematic for some CCs)
- Can be Used to “Defray Expenses Associated with Coronavirus (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty, and staff trainings, and payroll)”
- Can be Used to “Carry out Student Support Activities Authorized by the HEA that Address Needs Related to Coronavirus”
To “Provide Financial Aid Grants to Students that may be Used for Any Component of a Student’s Cost of Attendance or for Emergency Costs”

Institutions shall “Prioritize Grants to Students with Exceptional Need, such as Students who Receive Pell Grants”
Like CARES, CRRSA Does Not Define “Student”

Statutory Requirement Concerning Exceptional Need will Have to Mesh with Existing Need-based Program Awards

Statutory Need Requirement also Raises Question about how that would be Determined for Non-Title IV Recipients
Institutional Aid in Titles III and V would Receive 62% Increase over CARES Act Funding; College Allocations should Largely Track This

Funding Provided under Same Formula as Larger Grant Program (Pell, enrollment), Except for HBCUs and TCUs

All Eligible Institutions would Receive Funding, as in CARES – Make Sure Your Institution is Eligible!

Funding would be Added to Main Formula Program $, as in CARES
FAFSA SIMPLIFICATION ACT (IN OMNIBUS)

- Emerged in Closing Weeks of Congress (Sen. Alexander’s Holy Grail)
- Sharp Reduction in Data Elements and Direct Importation of Data from IRS to FAFSA (previously enacted) should Benefit CC Students
- Rewrites/Simplifies Need Analysis for Pell and Uses Separate “Student Aid Index” for Other Programs; Many More Low-Income Students would Skip Full Need Analysis
- May Lead to Additional State, Institutional Applications Because of Reduced Information
Desire to Make Pell Eligibility Known Earlier – Income and Family Size Will Give Families Expectation of Likely Aid

Eligibility for Maximum and Minimum Grants Keyed to Poverty Levels

Maximum Grant Itself Not Increased

Higher % of Students would Receive Grants

Pumps Up Cost of Program
(Estimated:) More than 2 million Pell Grant Recipients will have Awards Increase by $100 or More
- Fewer than 300,000 will see their awards decrease by that amount or more

More than 4 out of 5 Students will Receive the Maximum Grant, Up from 63% under Current Law

The Largest “Loser Category” vis-à-vis Current Law by Far is Dependent Students with Married Parents (1 out of 5 recipients will have reduced awards)
Drug Question Eliminated
Selective Service Question Eliminated
No Time Limit on Subsidized Interest (150% of program time)
Defrauded Borrowers (with successful claim) Get Re-established Pell Eligibility
Bi-Partisan Backing is Remarkable Political Development

Takes Effect 2023-24 Award Year

No Limitations Based on Sentence

Programs Must Lead to Licensure if Applicable, have State Approval, be Allowable Occupation

Credits Must Transfer to at Least One State HE Institution

For-Profit Institutions Not Eligible
Democrats Will Control Senate Starting January 20
- GA victories secured 50-50 breakdown
- VP Harris will break tie votes

Senate Majority = Control of Agenda
- Democrats will decide what legislation comes to floor, hearings to hold, etc.

Republicans Still Have Filibuster (for most actions)
Senator Schumer (D-NY) to be Majority Leader

Senate Murray (D-WA) to Become HELP and LHHS Appropriations Subcommittee Chair
- Ranking HELP Republican member still uncertain
- Sen. Blunt (R-MO) to be ranking member on LHHS Appropriations

Senator Wyden (D-OR) to Become Finance Chair
Budget Reconciliation an Option to Move Agenda

- Only simple majority required for passage
- Legislation limited to provisions that have direct budgetary impacts
  - Tax and mandatory spending items
  - Not a vehicle to create new programs – can only fund existing authorizations
- Democrats must be completely united assuming no Republican support
- Stimulus, infrastructure, clean energy possibly addressed
  - TAACCCT program originally funded via reconciliation bill – authorization still in place
BIDEN CAMPAIGN AGENDA

- Debt-free Community College (or other high-quality training)
  - Free public colleges for families with incomes < $125,000
- Double Pell Grant Maximum
- Simplify Loan Repayment & Increase Income-based Repayment
- Create Community College Success Grant Program (provision in CAA)
- $50 Billion in Workforce Training, Including Business Partnerships and Apprenticeships
AACC EARLY 117TH CONGRESSIONAL PRIORITIES

- America’s College Promise or Similar Initiative
- Additional Stimulus Support
- Dedicated Community College Job Training Program
- Boosted Pell Grant Maximum with Short-Term Program Eligibility
- DREAM Act Passed
QUESTIONS
RESOURCES AVAILABLE: AACC’s Policy Positions & Analyses Website
https://www.aacc.nche.edu/advocacy/policy-positions-analyses/

- Final Fiscal Year (FY) 2021 Appropriations – Community College Highlights
- Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act Institutional Funding – Frequently Asked Questions
- FAFSA Simplification Act—Title VII of CRRSA
- AACC Transition Priorities for Biden-Harris Administration

Consolidated Appropriations Act Text
HAPPY 2021!

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SEE YOU AT THE NLS
Feb. 8 – 10