



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

CRRSA – HIGHER EDUCATION BREAK-OUT

- \$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)

PRIMARY HIGHER EDUCATION FORMULA PROGRAM

- 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 \$

PRIMARY HIGHER EDUCATION FORMULA PROGRAM IMPLEMENTATION

- 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”

FORMULA GRANT PROGRAM—STUDENT PORTION

- 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”

FORMULA PROGRAM – STUDENT PORTION

- 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

PANDEMIC RELIEF BILL - TITLES III AND V

- 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

FAFSA SIMPLIFICATION ACT NEED ANALYSIS/ELIGIBILITY CHANGES

- 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

FAFSA SIMPLIFICATION ACT PELL ELIGIBILITY CHANGES

- (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)

FAFSA SIMPLIFICATION ACT

- 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

FAFSA SIMPLIFICATION ACT/SECOND CHANCE PELL

- 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

DEMOCRATIC SENATE CONTROL | 117TH CONGRESS

- 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.
- Republics Still Have Filibuster (for most actions)

DEMOCRATIC SENATE CONTROL | 117TH CONGRESS

- 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

CONGRESSIONAL DEMOCRATIC CONTROL DYNAMICS

- 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 | 17TH 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



AACC RESOURCES

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

<https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-116HR133SA-RCP-116-68.pdf>

HAPPY 2021!

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SEE YOU AT THE NLS

Feb. 8 – 10

