Institutional Implementation of the Pandemic Relief Legislation

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WEBINAR TOPICS

- Welcome and Introductions
- American Rescue Plan Act
- Anticipated Economic Recovery Legislation
- Other Key Legislation (HEA, WIOA, etc.)
- Biden Administration Priorities
- CRRSA Review
- CRRSA Implementation Guidance
- CRRSA Implementation Remaining Questions
Passed House on Partisan Vote

Passed Senate Under Budget Reconciliation Procedures
- 50-49 vote
- Provisions must have direct budgetary impact
- Reconciliation rules forced changes to House-passed bill, but package remains largely the same
- House expected to pass Senate version this week

$1.9 Trillion Overall
- Vaccine distribution
- Unemployment benefits extension
- State and local government support
AMERICAN RESCUE PLAN ACT

- $170 Billion for Education
- $40 Billion for Higher Education
  - 74% more than CRRSAA
  - Distribution terms and allowable uses very similar to CRRSAA, except:
    - Slightly higher percentage of funds for institutional formula program
    - No GEERF pot (due to other state and local funds)
    - 51% of funds must go to student grants (at most institutions)
    - Use of institutional funds for HEA support activities no longer specifically authorized (Byrd rule)

- State MOE Requirement Potentially Weaker Than CARES
- 90/10 Rule Modified to Include GI Bill and Other Federal Funds Under 90% Cap
  - Senate amendment pushed effective date back to institutions’ FY 2023
  - Negotiated rulemaking required
Democrats Expected to Introduce Second Reconciliation Package Focused on Economic Recovery Soon

- Infrastructure, renewable energy among priorities expected to be addressed
- Workforce education should figure prominently – either directly or to support new projects and activities
- Congress must first pass FY 22 budget resolution to use reconciliation
- Politics, fiscal concerns may make it harder to get all Democrats on board
AACC and ACCT are Strongly Advocating for a Large-Scale, Community College-Led Workforce Education Program

- Modeled after TAACCCT program (perhaps renewal of exact program)
- At least $2 billion over 4 years
- Similar program included in Democrats’ Relaunching America’s Workforce Act
- Recovery reconciliation bill is likeliest vehicle
  - Reconciliation rules limit extent to which new program can be created
NATIONAL APPRENTICESHIP ACT

- House-Passed Bill Reauthorizes National Apprenticeship Act for First Time Since 1937
  - Codifies familiar aspects of registered apprenticeships – progressive wages, workforce protections, related instruction, etc. – that were largely implemented via regulations
  - Updates process for new apprenticable occupations
  - Authorizes up to $800 million to support expansion of registered apprenticeships
  - Senate starting to work on its bill
WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) REAUTHORIZATION

- Congress Expected to Start Considering WIOA Reauthorization as Early as his Spring
  - Finalizing apprenticeship bill first on docket
  - House Education and Labor Committee intends to hold series of hearings
  - Congressional staff don’t expect massive overhaul
- Community College Advocacy Focused on Strengthening Role of Community Colleges in the Workforce Development System
House Will Likely Re-Introduce College Affordability Act or Something Similar

Senate Never Introduced Comprehensive Bill Last Congress
- Change in majority, new top Republican will affect discussions

Pell Eligibility for Short-Term Programs Top CC Position
- CAA included modified version of JOBS Act with some concerning additions
BIDEN 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
- Debt Forgiveness Raging Political Issue
BIDEN ADMINISTRATION ANTICIPATED REGULATORY AGENDA

- Reinstate DACA
- Implement Variety of Loan Repayment Provisions (Pandemic Period and Beyond)
- Enhance IBR
- Suspend Loan Repayments and Interest Accrual for Low-Income Borrowers During Pandemic
- Make IBR Enrollment Automatic
- Regulate For-Profit Sector
- Reinstate Gainful Employment and Borrower Defense Regulations
- Repeal Trump Administration’s Title IX Regulation (New Policies Pending)
$82 Billion Provided for Education Overall

- 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:**
  - 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 Track FY 2020 Funding Levels – Allocations Released**
- **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 (CARES, 100% FTE)

For-Profits Excluded

ED Announced Allocations and Availability in January
Awards Supplemental to CARES – No New Applications Required

Colleges Must Draw Down Some Funds Within 90 Days of Notification!

New Law Applies to Unspent CARES Act $

Colleges Have 6 Months to Report to Secretary on Use of Funds

New Administration Could Alter Any Trump-Promulgated Policies

Role of “Guidance” v. Regulation Raised by CARES Act
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” (Cost of Attendance Includes Tuition)

Institutions Shall “Prioritize Grants to Students with Exceptional Need, such as Students who Receive Pell Grants”
Like CARES, CRRSAA 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 Largely Track This

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

All Eligible Institutions to Receive Funding, as in CARES

Funding would be Added to Main Formula Program $, as in CARES
ED IMPLEMENTATION GUIDANCE TO DATE

- Allocation Tables, FAQs and other Documents Relating to Main Formula Program Issued January 14
- Allocation Tables and Brief FAQ for Supplemental Awards to Title III and Title V ProgramsPosted Recently
- ED Answered Some Questions Posed by AACC/ACCT and ACE
- Key Questions Remain – Additional Guidance Expected (When??)
Institutions Have One Year to Spend CRRSAA Funds From Date They Were Made Available

- Like CARES, there may be an opportunity for a no-cost extension
- Confusing dates on some GANs that implied otherwise were in error

Current Guidance Does Not Allow Institutions to Apply Funds to Expenses Incurred / Revenue Lost Prior to Dec. 27, 2020

- Latest ED communication implies that this could possibly change
- Students may use grants for expenses they incurred prior to 12/27 (e.g., outstanding tuition balance)
- Also applies to unspent CARES funds that institution wishes to spend under broader CRRSAA uses
- CARES Act guidance still applies to use of unspent CARES funds for expenses incurred prior to 12/27
Non-degree Seeking, Non-credit, Dual Enrollment, and Continuing Education Students May Receive Financial Aid Grants

- CARES IFR required students to be Title IV eligible
- Undocumented and international student eligibility still uncertain

Institutions May Issue Student Grant as Credit to Student’s Account

- Institution must receive student’s consent to apply any portion of the grant to outstanding balances on the account
- Institution does not need student consent if entire grant amount will go to the student (student account is merely a delivery vehicle)
KEY ELEMENTS OF ED GUIDANCE

- Colleges May Make Grants to Students Who Left School Since March 13, 2020
- Student Support Activities Authorized by the HEA Include TRIO and GEAR UP Program Activities
  - Activities must address needs related to the coronavirus
- Indirect Costs and Direct Administrative Costs May Be Charged to Institutional Funds
- Employee Benefits are Included in Eligible Payroll Costs that May be Covered by Institutional Funds
  - For costs incurred after 12/27/20
OTHER POSSIBLE TOPICS FOR FUTURE GUIDANCE

- Lost Revenue
  - How to document?
  - Are state and local budget cuts considered lost revenue?
- Prioritizing Students with Exceptional Need
  - How to document for non-Pell recipients?
  - Do family/personal circumstances count?
- Payroll Costs
  - May grant funds cover payroll costs for jobs that would have been eliminated if not for CARES and CRRSAA funds?
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