



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
- CRRSAA Review
- CRRSAA Implementation Guidance
- CRRSAA Implementation Remaining Questions



AMERICAN RESCUE PLAN ACT

- 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

ANTICIPATED RECOVERY RECONCILIATION BILL

- 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/ACCT WORKFORCE EDUCATION PROGRAM PRIORITY

- 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 apprenticeship 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

HEA REAUTHORIZATION

- 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)

CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATION ACT (CRRSAA)

- \$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

CRRSAA – HIGHER EDUCATION (HEERF II) BREAK-OUT

- **\$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)

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 (CARES, 100% FTE)
- For-Profits Excluded
- ED Announced Allocations and Availability in January

PRIMARY HIGHER EDUCATION FORMULA PROGRAM IMPLEMENTATION

- 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

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” (Cost of Attendance Includes Tuition)
- Institutions Shall “Prioritize Grants to Students with Exceptional Need, such as Students who Receive Pell Grants”

FORMULA PROGRAM – STUDENT PORTION

- 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

CRRSAA - TITLES III AND V

- 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 Programs Posted Recently
- ED Answered Some Questions Posed by AACCC/ACCT and ACE
- Key Questions Remain – Additional Guidance Expected (When??)

KEY ELEMENTS OF ED GUIDANCE

- 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

KEY ELEMENTS OF ED GUIDANCE

- 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?

QUESTIONS



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