

Community College Legislative Priorities, November 2024

Several key federal issues that impact community colleges and their students are being discussed now in Washington, as members stake out their priorities for spending and budget reconciliation in the 119th Congress. It is important, wherever possible, for community college officials to communicate the sector's position to legislators in calendar 2024.

Oppose Risk-Sharing in the College Cost Reduction Act or Similar Legislation

The House Committee-reported "College Cost Reduction Act," H.R. 6951, would create a new form of "risk sharing," in which institutions that do not meet certain federal standards prescribed in law must make payments to the federal government. While some of these payments would be offset by grants to institutions, many institutions would suffer substantially under the framework. In addition, community colleges have consistently opposed risk-sharing, because it denies resources to those institutions who need it. Upcoming budget reconciliation legislation may contain risk sharing, and AACC urges its members to communicate to legislators their opposition to this concept and the "risk-sharing" in the College Cost Reduction Act.

End the Taxation of Pell Grants and Reform the American Opportunity Tax Credit

In the Congress about to close, bipartisan legislation was introduced in the Senate (S. 2920) and House of Representatives (H.R. 3000) that would make Pell Grants non-taxable and ensure that Pell Grant recipients qualify for the \$2,500 American Opportunity Tax Credit (AOTC). This legislation is a top community college priority because, in addition to simplifying the Tax Code, it will ensure that the financially neediest community college students receive the full Pell Grant they are entitled to and are able to take advantage of a key education tax benefit. This legislation principally benefits community college students.

As Congress gets set to work on major tax legislation in 2025, members need to hear that the "Tax-Free Pell Grant Act" should be part of this legislation.

Support Workforce Pell Grant Authorization

Community colleges continue to enthusiastically support the extension of Pell Grant eligibility to workforce programs between 150 and 599 clock hours in length. Community colleges already offer hundreds of such programs in health care, information technology, transportation, construction, management, and a myriad of other areas. The cost to students remains a significant barrier, making Title IV support essential.

The bill's limited new expenditures (projected to be one half of 1% of overall Pell Grant program costs) are extremely limited given the size of the Pell Grant program. In addition, workforce Pell Grants help provide upward mobility for individuals who do not have a college degree but want to more fully establish themselves in the workforce or begin a path in higher education.

Provide Needed FY 2025 Appropriations

Fiscal Year (FY) 2025 funding legislation will likely not be finalized until the first part of calendar 2025, providing an opportunity for effective advocacy.

Pell Grants: The Pell Grant maximum was frozen in the current award year. In FY25, Congress should increase the maximum grant by \$100, as in legislation approved by the Senate Appropriations Committee. While community college education is extremely affordable (tuition is just \$3,990 for a full-time, full-year student), increasing the grant helps low-income community college students cover more of their total education expenses.

Strengthening Community College Training Grants (SCCTG): Congress should fund the SCCTG program at \$75 million. SCCTG funds partnerships between community colleges, local businesses and other key partners to expand and improve workforce education capacity. There is growing evidence of this program's positive impact and interest in the program continues to outpace the number of available grants.

Strengthening Institutions Program (Title III-A of the Higher Education Act): The Strengthening Institutions Program supports local initiatives for institutions that have relatively low resources and serve high percentages of low-income students. Colleges undergo fierce competition to secure funding consistent with national priorities. Congress should fund the program at \$140 million, reversing the \$10 million FY 2024 cut.

For further information about the current status of these issues or contacting members of Congress, please contact David Baime at dbaime@aacc.nche.edu

www.aacc.nche.edu/advocacy

November 25, 2024