



AACC Federal Public Policy Update

End of Summer

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AGENDA

- **FY 27 Appropriations/Uniform Grant Regulations**
- **Workforce Pell Implementation**
- **ED “Call to Action”**
- **Accreditation NPRM**
- **FVT/GE and STATS Reporting**
- **College Transparency Act/HELP Markups**
- **Farm Bill**
- **Tax-Free Pell Grant**
- **Next Webinar/Ways to Connect**





FY 27 Appropriations

- **House and Senate passed two versions of a Continuing Resolution before the August recess**
 - House version is “clean” and funds government through Dec. 4
 - Senate version goes to Dec. 11, contains additional provisions
 - Delays implementation of Uniform Guidance rule
 - Unclear if Senate version will pass House or if additional negotiation will be necessary
- **Senate Appropriations Committee leaders unable to agree on top-line funding levels**
 - Parity between defense and non-defense spending remains an issue
 - Funding bills ultimately need bipartisan support to pass in Senate
 - Markups delayed due to impasse and other issues – may not happen at all





House LHHS-ED Funding Bill

- **Approved by the Appropriations Committee**
- **Dept. of Education**
 - **10% overall cut**
 - **\$50 increase to Pell Grant maximum award and one-year patch of Pell shortfall**
 - **Subsidized undergraduate student loans eliminated to pay for \$16 billion added to Pell Grant program in FY 27**
 - **“Super-SIP” program again envisioned**
 - **\$11 million increase for combined program**
 - **FY 26 awards still pending**
 - **Deep cuts to SEOG, FWS, Adult Ed, Int’l Ed, FIPSE**
 - **Small increases for TRIO, GEAR-UP, Perkins CTE**





House LHHS-ED Funding Bill

- **Dept. of Labor**
 - **27% overall cut**
 - **Highlight: SCCTG increased by \$10 million, to \$75 million**
 - **WIOA Adult and Youth funding streams reduced and eliminated, respectively**
 - **Apprenticeship grants increased by \$5 million**





NSF ATE Program

- **NSF STEM Education eliminated in House Commerce, Justice, Science appropriations bill**
 - Would eliminate \$75 million in funding for ATE
 - Similar to last year's bill
- **Senate CJS markup postponed**
 - Senate bill (and final legislation) maintained funding last year





FY 27 Appropriations – AACCC Agenda

- **AACCC highlighted funding priorities**
 - **Fund the Pell Grant shortfall in full**
 - **Augment funding for SIP program**
 - **Increase SCCTG funding to \$75 million**
 - **Fund the ATE program at \$85 million**
 - **\$10 million increases for both these programs**





Uniform Guidance Regulations

- **Proposed rule would have far-reaching consequences for the grantmaking process across the federal government**
- **AACC joined higher education organizations in comments expressing deep concern about several aspects of the proposed rule**
 - **Replacing merit review with political oversight**
 - **Facilitating arbitrary grant terminations**
 - **Requiring approval for all “incurred costs”**





Uniform Guidance – Grants Administration

- **Senior political appointees would conduct pre-issuance reviews of all discretionary awards**
- **Peer review would not be assumed to be the basis on which grant awards are made; agencies would not automatically defer to process.**
- **Grants could be terminated based on an agency's perception of "public interest"**
- **Expanded risk assessments of potential recipients, federal agencies could consider an institution's "questionable practices," affiliations with organizations that engage in certain activities, and Section 117 (foreign gifts reporting) compliance.**
- **If adopted, applicants may experience greater uncertainty in award timing and outcomes and should prepare for heightened content scrutiny of proposals.**
- **Agencies could cooperate with individuals or organizations pursuing a private cause of action or remedies against a recipient or subrecipient for failure to comply with law, regulation, or award terms**





Uniform Guidance – Disparate Impact

- **“Disparate impact” prohibited -- recipients or subrecipients of federal financial assistance could not discriminate based on viewpoint, content, or subject matter of speech—including on the basis of political, ideological, or religious affiliation or perspective—in providing services for events, meetings, or other expressive activities.**
- **To the maximum extent permitted by law, federal agencies and pass-through entities must ensure that federal awards are not used to “fund, promote, encourage, subsidize, or facilitate” (1) DEI or diversity, equity, inclusion, and accessibility (DEIA) policies, principles, or practices that violate any applicable federal anti-discrimination laws, including racial preferences and the use of race or intentional proxies for race as selection criteria for employment or program participation; and (2) “gender ideology,” defined as theories or ideologies that deny the biological reality of sex or the sex binary in humans, or endorse the notion that sex is a chosen or mutable characteristic.**





ED General Administrative Regulations

- **ED proposed rule issued August 24th independently implements some of the Uniform Guidance regulation's troubling provisions**
 - NSF has also proposed similar rule, possibly more to come
- **Key provisions include:**
 - **Codifying ED's ability to terminate grants for "convenience"**
 - **Grant notices and competitive priorities no longer published in the Federal Register**
 - **Competitive priority given to proposals that limit indirect cost rates**
 - **States and subgrantees must comply with executive orders**
 - **Greater Secretarial discretion over continuation awards**
 - **Modified general selection criteria**
 - **Grantees must ensure that hiring, compensation, admissions, and promotions are based on "merit and high standards"**

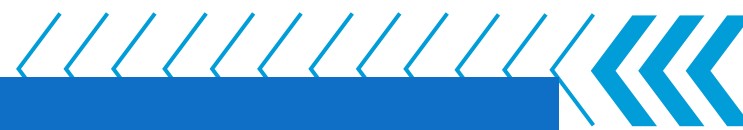




Workforce Pell Status

- **Administration remains strongly committed to the program's success**
- **2 Programs, both CCs, approved by Feds so far – rigorous review is seen**
- **ED/DOL have pushed substantial regulatory responsibility to states**
- **Community colleges are actively engaged in many states**
 - **In other states, less so**
 - **Data challenges are common, at both state and institutional levels (especially w/ “non-credit” students)**
 - **How is your state doing? What are the biggest obstacles?**





ED “Call to Action”

- **Secretary McMahon sent correspondence on August 3 to all institutions of higher education (CEOs and trustees), seeking institutional responses and commitments to addressing public questions about higher education**
- **Echoes of the “College Compact”**
- **Institutions asked to post responses on their websites by 12/31/26 and to engage in subsequent reforms; no “carrots or sticks”**
- **Questions and terminology strongly oriented toward universities, confusing many community college leaders**
- **Institutions may wish to respond positively about ongoing work to address Secretary’s concerns and priorities— “reform” is not the issue; constant improvement and adjustment is**



ED “Call to Action” -- Topics

- **Transparency and Merit in Admissions**
- **Free Speech and Open Inquiry**
- **Intellectual Pluralism and Academic Vitality**
- **Affordability, Value, and Student Outcomes**
- **Academic Standards and Rigor in the Age of AI**
- **Safeguarding Research Integrity from Malign Influence**
- **Prioritizing American Interests**



FVT/GE and STATS Reporting

- **Extensive reporting requirements growing out of the Biden Administration's Gainful Employment and related policies**
- **Trump Administration largely continuing Biden rule with limited burden reductions under the "Student Tuition and Transparency System" (STATS)**
- **Biden Administration's delayed and bungled implementation of FVT/GE -- including postponed and confusing deadlines -- now looming**
- **Trump Administration stressing compliance** [Guidance on FVT/GE Data Reporting, STATS Early Implementation, and Next Steps for Publication | Knowledge Center](#)
 - ED to hold [FSA Office Hours](#) session on Sept. 10, 3:00 – 4:00 PM
- **Student aid offices, institutional researchers, and registrars all involved**





Accreditation NPRM

- **Published 8/20; comments due 9/21; AACCC will submit a response**
- **Vast impact on higher education system -- far-reaching, complex, and controversial provisions**
- **Likely to add to cost of higher education related to new procedures**
- **NPRM based on consensus draft regulation -- community colleges represented by Dr. Monty Sullivan (incoming president of NC Community College System)**
- **No former “regional” institutional accrediting agencies represented as lead negotiators**





Accreditation NPRM

- ***Huge Item for Community Colleges:* Accrediting agencies will be required to have policies requiring accredited institutions to accept credit from other institutions accredited by an ED-recognized accreditor, except where there is a written explanation for denial that can be appealed by the student**
- **Accreditors would need to have standards requiring institutions to implement policies to support and promote intellectual diversity and the free exchange of ideas, including measuring student and faculty perceptions on the range of viewpoints and perspectives offered**
- **New academic freedom protections to be applied consistently to faculty regardless of race, viewpoint, or ideology – major topic in “neg reg” because of definitional complexity**
- **Accreditors to ensure that First Amendment and civil rights protections observed**





Accreditation NPRM

- **New *programmatic* student achievement requirements and more explicit requirements overall:**
 - **Required evaluation of institutions' success, including licensure outcomes, completion, retention, post-completion education and employment outcomes, and relevant standardized assessments**
 - **Educational and economic returns aligned to a program's credential level, length, and occupational context relative to total cost of attendance**
- **New criteria on “separate and independent” with a major compliance issue for programmatic accreditors**
- **Agencies must conduct a cost-benefit analysis that includes a review of the institution's budget, resource utilization and allocation, and business/strategic plan**
- **Institutions can have multiple accreditors**





College Transparency Act/HELP Markups

- **In July, the Senate HELP Committee approved a slate of bills on a bipartisan basis, including higher education legislation**
 - *The College Transparency Act* – long-endorsed by AACCC
 - *The Respond, Innovate, Succeed, and Empower (RISE) Act* – also AACCC-endorsed
 - A bill to limit the transfer of the Office of Postsecondary Education to DOL
- **Path forward remains murky in the House**





September HELP Markup

- **HELP Committee Chair Bill Cassidy has indicated that he hopes to hold another markup of higher education bills in September**
 - ***No Aid for Ghost Students Act*** – codifies ED’s new FAFSA identity screening protocol (another version was approved by the House Committee)
- **Possibly also on the docket:**
 - **Standard definitions for financial aid offers/standardized award letters**
 - **AACC endorsed the Senate HELP Committee’s *Improving Financial Aid Offers for Students Act***
 - **Increasing loan counseling responsibilities and disclosures**
 - **Changes to Net Price Calculators and the College Scorecard**





Farm Bill

- **The Senate Ag Committee released an updated version of the *Agricultural Act of 2026***
 - Contains an authorization for a new capacity building grant program for community college agriculture and natural resources programs
 - Very closely modeled after the AACCC-endorsed *Community College Agricultural Advancement Act*
 - The markup was scheduled for August but has been postponed until September
- **Earlier this year, the House passed its *Food, Farm and National Security Act***
 - Contains authorization for a new program to provide funding for community college agriculture and natural resources programs; less focused on capacity, more focused on work-based learning





Tax-Free Pell Grant Act

- **Top AACCC priority despite exclusion from OBBBA**
- **Bipartisan bills pending; key cosponsors leaving Congress (Senator Tillis, Reps. Feenstra, Doggett, and Davis)**
- **Cost (\$1.9 B over ten years) remains minimal relative to positive impact for community colleges and tax code generally**
- **Broader higher education tax issues may be on table in 120th Congress**





Next Webinar/Ways to Connect

- **AACC will hold our next federal policy update webinar on September 10 at 2:00pm ET.**
 - The webinar will focus on preparing Advocates in Action attendees to lobby the following week but is open to all members.
 - Register at www.aacc.nche.edu/events/webinars
- If you haven't already, [subscribe](#) to our Washington Watch Weekly newsletter





QUESTIONS?

