March 2012 Federal Update

Members of the California Community College Board of Governors (BOG), the Chancellor and more than 75 California Community College leaders had a very productive trip to Washington D.C., February 13-16, as part of the annual Association of Community College Trustees’ (ACCT) National Legislative Summit. The timing of this visit was critical for the system’s advocacy efforts to protect Pell Grant funding and other vital workforce training programs.

As community college leaders from around the country were arriving in D.C. to attend the annual Summit, the President released his 2013 budget proposal on Monday, February 13 at the Northern Virginia Community College campus, a symbolic gesture signaling the important role community colleges play in helping Americans secure the education and training they need to enter the workforce. Several California Community College leaders were able to attend the President’s address.

Members of the California Community College delegation also used the opportunity while in Washington D.C. to share information about the Student Success Task Force Recommendations with key officials within the Obama Administration, including Hilda Solis, Secretary, U.S. Department of Labor, Undersecretary Dr. Martha Kanter, U.S. Department of Education, and Kirsten White, Policy Director for Dr. Jill Biden and California Congressional Members.

The BOG and Chancellor Scott also hosted a breakfast and briefing for the California Community College delegation. Special guest speakers at the breakfast featured Dr. Martha Kanter and Dr. Walter Bumphus, President/CEO, American Association of Community Colleges (AACC). Guest speakers for the briefing session included David Baime, Sr. Vice President, Association of American Community Colleges, and Jee Hang Lee, Public Policy Director, Association of Community College Trustees.

President Obama’s Community College Initiatives

President’s State of the Union Address
On January 24, 2012, President Obama outlined a comprehensive list of priorities for the coming year in his annual State of the Union Address. Major highlights of the speech included proposals for job creation and education for American workers. As in the past three years, the President emphasized the important role of the nation’s community colleges as the most effective pathway for providing high quality job training programs and preparing American workers for a 21st Century economy. In detailing what he called a “Blueprint for an America Built to Last” the President called for training two million people for high-skilled jobs through business-college partnerships. He also called on Congress to enact measures to ensure that student aid is available for low-income students, and warned higher education institutions to develop and implement policies to reduce skyrocketing higher education costs.

President’s Budget Request
On February 13, 2012, the President released his fiscal year (FY) 2013 budget request. The President provided further details of his Blueprint proposal to significantly increase funds for job training partnerships. This and all other funding proposals will be subject to Congressional approval through the appropriations process.
The bulk of the job-training money in the President’s budget request would come from the new $8 billion "Community College to Career Fund." The Fund would incentivize community colleges and states to form partnerships with businesses and train an estimated two million workers in high-growth and in-demand areas. As proposed, the $8 billion three-year investment is the centerpiece of the investment in community college and business partnerships and would be administered jointly by the U.S. Departments of Education and Labor. The program will be developed based on existing successful models between industry and community colleges, and is aimed at targeting specific skills that lead to high-growth and in-demand jobs.

Other key proposals of note to the community colleges include proposals to:

- Increase the maximum Pell award to $5,635.
- Reauthorize the Career and Technical Education (CTE) State Grant program currently set to expire in 2013, provide $1.1 billion in level funding, and enact proposed reforms.
- Create a $1 billion “Race to the Top College Affordability and Completion Competition for States and Colleges,” to reduce higher education costs and improve student outcomes.
- Provide $125 million for competitive Workforce Innovation Fund to encourage States and localities to improve service delivery, break down program silos, and provide rewards to providers for success.
- Create a $55 million “First in the World” competitive grant. It would help public and private institutions increase college access and completion, and improve educational productivity through an evidence-based grant competition. Up to $20 million goes to minority serving institutions.
- Shift campus-based financial aid away from colleges that fail to keep net tuition down, and redirect toward colleges and universities that lower tuition, provide good value, and serve needy students well.

The President’s proposed budget represents an ambitious plan for many aspects of our nation's education system. Revenues to pay for these proposals would come largely in the form of changes to the tax code that would increase the amount that higher-earning individuals would be expected to pay.

**Congressional Activity**

With the beginning of the second session of the 112 Congress, work resumed on payroll tax relief, emergency unemployment benefits, and reauthorization of Temporary Assistance to Needy Families (TANF), all of which were only extended through February. Congress reached an agreement on the payroll tax holiday on February 17th and passed a bill to extend the tax benefit through January 2013.

Senate and House Authorizers and Appropriators will begin addressing key higher education issues, such as how to fund the Pell Grant Program, whether to support part or all of the President’s higher education initiatives unveiled as part of his 2013 budget proposal and reauthorization of the Workforce Investment Act. In addition, members of Congress expressed strong interest in providing support to returning veterans and offering effective educational opportunities that help them transition back to civilian life.

**The Senate**

**Innovations in College Affordability Hearing**

On February 2, 2012, the Senate Committee on Health, Education, Labor and Pensions held a hearing titled "Innovations in College Affordability." The subject of the hearing was to examine ways to keep college costs down. Dr. Martha Kanter, Under Secretary, U.S. Department of Education provided testimony to the Committee. Dr. Kanter’s comments included community college themes from the President’s “Blueprint for an America Built to Last” which was presented in the State of the Union Address.
Proposals Designed to Improve the Nation’s Workforce Training System

A series of legislative proposals to enhance services for workers and employers, and promote better use of taxpayer dollars were recently introduced in Congress. These bills propose to reform and reauthorize the nation’s workforce investment system, referred to as the Workforce Investment Act or WIA, and include HR 3611 the Local Job Opportunities and Business Success Act by Representative Joe Heck (R-NV), HR 3610 the Streamlining Workforce Development Programs Act by Representative Virginia Foxx (R-NC), and HR 2295 the Workforce Investment Improvement Act by Representative Buck McKeon (R-CA).

The federal government currently administers at least 47 separate job training and employment programs, representing an annual taxpayer investment of $18 billion. The House Committee on Education and the Workforce have been examining how best to strengthen the nation’s job training system, and key elements of these three legislative measures are likely to be consolidated into one bill. The author of the final WIA Reauthorization bill has yet to be determined.