



February 26, 2015

President Obama Releases FY 2016 Budget Request

President Obama's budget request included a number of reforms and new proposals for higher education and workforce training. New proposals impacting the community college sector include:

- \$60 billion over 10 years for the America's College Promise proposal; a federal-state partnership grant that would provide free tuition at community colleges for qualified students.
- \$200 million per year American Technical Training Fund. This proposal would serve a successor to the expired Trade Adjustment Assistance Community College and Career Training Grant (TAACCCT) program, and funds will be used to support college and industry partnerships.
- \$7 billion over 10 years for a College Opportunity and Graduation Bonus program which would provide an annual grant to eligible institutions based on their number of on-time graduates that receive Pell Grants.
- Streamline existing higher education tax credits to create a more robust and permanent American Opportunity Tax Credit (AOTC) with increased refundability, and excluding Pell Grants from taxable income.

For the Pell Grant program, the budget proposes extending the annual consumer price index (CPI) increases to the Pell Grant maximum beyond 2017. The Department of Education (ED) recently revised the maximum award for AY 2015 – 2016 based on the final CPI for 2014. Pell will increase \$45, bringing the maximum to \$5,775. Additionally, the budget calls for continuing access to a full maximum Pell Grant award for Ability to Benefit students enrolled in career pathway programs. The budget recommends strengthening academic progress requirements for the Pell Grant program in order to encourage completion, and limiting the receipt of additional Pell disbursements by recipients who are not advancing academically.

The proposal calls for extending the "Pay As You Earn" repayment option to all borrowers. This is something ED is already working on through negotiated rulemaking. The budget also proposes expanding the existing Perkins Loan program into a new unsubsidized program which would provide \$8.5 billion in loans annually. The new program would allocate lending authority among institutions on the basis of the financial need of their students, and the extent to which institutions enroll and graduate higher numbers of Pell eligible students, and offer an affordable and quality education such that graduates can repay their educational debt.

The budget proposes simplifying the FAFSA, and adding the Department of Defense Tuition Assistance program and post-9/11 GI Bill benefits to the 90/10 rule. It also includes \$200 million for the First in the World Fund to invest in innovative strategies and practices that improve educational outcomes and make college more affordable for students and families.

Bipartisan Group of Senators Announces Report on Simplifying Federal Regulations for America's 6,000 Colleges and Universities

On February 12th, a bipartisan group of senators on the Senate Health, Education, Labor and Pensions committee announced a report detailing ways Congress and the Department of Education could streamline and reduce federal regulations for America's 6,000 colleges and universities, while protecting students and taxpayers.

The task force's objective was to provide specific recommendations on reducing, eliminating or streamlining duplicative, costly or confusing regulations and reporting requirements to Congress and the administration in anticipation of the ninth reauthorization of the Higher Education Act. The task force was comprised of higher education leaders from all over the United States including the Chancellor of the California Community Colleges, Brice W. Harris. Specific recommendations include:

- Asking the Government Accountability Office to review the Department of Education's methodology for estimating institutional costs of compliance with regulations; the creation of clear "safe harbors" for institutional compliance; the recognition of "good faith" efforts to comply; and several proposals for better practices by the Department.
- Adhering to Guiding Principles that govern the development, implementation, and enforcement of regulations by the Department:
 - i. Regulations should be related to education, student safety, and stewardship of federal funds.
 - ii. Regulations should be clear and comprehensible.
 - iii. Regulations should not stray from clearly stated legislative intent.
 - iv. Costs and burdens of regulations should be accurately estimated.
 - v. Clear safe harbors should be created.
 - vi. The Department should recognize good faith efforts by institutions.
 - vii. The Department should complete program reviews and investigations in a timely manner.
 - viii. Penalties should be imposed at a level appropriate to the violation.
 - ix. Disclosure requirements should focus on issues of widespread interest.
 - x. All substantive policies should be subject to the "notice-and-comment" requirements of the Administrative Procedure Act.
 - xi. Regulations that consistently create compliance challenges should be revised.
 - xii. The Department should take all necessary steps to facilitate compliance by institutions.

Other regulations targeted by the report include verification of student eligibility for financial aid, return of Title IV funds, state authorizations of distance-education programs, as well as uniform definitions under the Clery Act. The full report can be accessed at <http://www.help.senate.gov>

Congressional Community Colleges Bills of Interest

HR 182: Centralized Report of Veteran Enrollment

H.R. 182 by Congressman Ken Calvert (CA-42) would streamline the Department of Veterans Affairs (VA) processes for community colleges that have multiple campuses. Currently, the VA requires community colleges to certify that their veteran students are enrolled for a specific number of classes before the VA will disperse student benefits. These rules must be updated to account for multi-college Community College Districts, such as Riverside Community College District (RCCD). Without such an update, veterans that take classes at a multi-college District see their benefits delayed while colleges and the VA complete and shuffle unnecessary paperwork. H.R. 182 would direct the Secretary of Veterans Affairs to permit the centralized reporting of veteran enrollment by certain groups, districts, and consortiums of educational institutions

HR 937: Dual Enrollment grants

Congressman Ruben Hinojosa (D-TX 15) introduced The Fast Track to College Act of 2015. The bill authorizes the Secretary of Education to award matching six-year grants to local educational agencies (LEAs) that partner with institutions of higher education (IHEs) to establish or support dual enrollment programs,

such as early college high schools, that allow secondary school students to earn credit simultaneously toward a secondary school diploma and a postsecondary degree or certificate.

S. 60: Eligibility for Postsecondary Education Benefits

S. 60 by Senator David Vitter (R-Louisiana). This bill would prohibit states from offering in state tuition to undocumented immigrants unless they offer in-state tuition to all Americans. The author contends that 15 states have exploited a loophole in federal immigration policy to extend in state tuition to undocumented immigrants. States are currently prohibited from granting postsecondary education benefits to undocumented immigrants on the basis of residency. However, through the use of a different criteria, such as graduation from an instate high school (similar to California's AB 540), states have been granting in state tuition regardless of immigration status. If enacted, this bill would force states to either grant in state tuition to Americans from every U.S. state or deny in state tuition to undocumented immigrants that are currently considered residents.