2016 Community College Federal Legislative Priorities

The Pell Grant Program

More than 3 million low- and moderate-income community college students receive Pell Grants each year. The grants reach more than one-third of all community college credit students, and help them pay for tuition, course materials, transportation, and living expenses. In conjunction with low-cost tuition, Pell Grants are the building block of community college access and success.

- Fully fund the discretionary base award in fiscal year (FY) 2017, which will allow the maximum Pell Grant award to continue to increase with inflation.
- Help secure the program’s fiscal health by retaining any temporary program surpluses.
- Establish the year-round Pell Grant for all students.
- Fully re-instate eligibility for “ability-to-benefit” students.
- Allow students to receive Pell Grants for a total of 14 full-time equivalent semesters.
- Allow additional access to Pell Grants for short-term workforce-oriented programs.

Federal Funding for Community Colleges and Students

Fund key community college programs at least equal to FY 2016 levels plus inflation.

- Federal student financial assistance, institutional support, and workforce training programs play an essential role in the community college mission. Modest funding increases are requested for the Workforce Innovation and Opportunity Act (WIOA); Federal Supplemental Educational Opportunity Grants; Federal Work Study; Carl D. Perkins Basic State Grants; the Strengthening Institutions Program (Title III-A of the Higher Education Act) and programs supporting Minority Serving Institutions; the Adult Education Act; and the National Science Foundation’s Advanced Technological Education (ATE) Program. The aggregate spending limits set in the Bipartisan Budget Act of 2015 allow for these limited increases.

Higher Education Act Reauthorization

Reauthorize the Higher Education Act (HEA) to support community college access and success by simplifying and enhancing student aid programs, ensuring accurate measurements of student success, reducing regulatory burdens, and bolstering institutional support.

- Loans – Grant institutions the ability to limit borrowing by students who are not in a strong position to take on debt. Link loan eligibility to enrollment intensity (for example, a half-time student would qualify for only half of an annual loan maximum). Lower aggregate borrowing for students in certificate and associate degree programs. Revise cohort default rates by incorporating the percentage of students who borrow. Increase the “participation rate index” (used in applying cohort default-rate sanctions) to better reflect today’s community colleges. Simplify and consolidate Direct Loan repayment options with low-debt borrowers in mind. Enhance student loan servicing.

- Transparency and Measurements – Develop accountability measures that accurately reflect community college student patterns of enrollment and success; include transfer rates. This includes creating an official federal six-year graduation rate for community colleges (300% of the “normal time” to complete). Create a long-overdue national student unit record data system to effectively track student enrollment, completion, and earnings information.
• **Oppose Risk Sharing** – Oppose new financial penalties or sanctions tied to loan repayment rates or defaults. Despite being low-cost, open access institutions with a relatively small percentage of borrowers, community colleges may be subject to enormous financial penalties under risk sharing. New financial penalties could result in higher tuition and/or reduced educational services. Participation in the federal student loan programs may also be threatened. Community colleges support a variety of measures to reduce student loan default rates and promote repayment, including: improved servicing of federal loans, limits on borrowing, simplification of repayment options, and additional loan counseling.

• **Additional Top HEA Priorities** – Ensure maintenance of adequate state funding. Simplify the FAFSA to increase form completion. Significantly reduce regulatory burden on campuses.

**America’s College Promise**

Support the America’s College Promise Act (S. 1716 and H.R. 2962)

- This legislation is modeled on President Obama’s proposal as well as current and proposed state and local zero-tuition community college programs, including those in Tennessee and Oregon. Up to nine million students annually could benefit from the America’s College Promise Act, under which full-time community college students would save an average of $3,800 annually. This assistance will expand college accessibility and send a powerful message to the public that college is financially within reach for all. This is critical because, by 2020, 65 percent of all job openings will require postsecondary education or training.

**Carl D. Perkins Career and Technical Education (CTE) Act Reauthorization**

Reauthorize the Perkins Act to maintain program flexibility, allowing community colleges to address local needs while strengthening CTE programs.

- Enhance student pathways that promote college and career readiness and strengthen ties between community colleges and local businesses. Reforms must also reflect current educational practices, including: dual enrollment; work experiences; integrated delivery of basic skills; and stackable postsecondary credentials. To the maximum extent possible, reporting requirements for Perkins, WIOA, and other federal programs should be aligned.

- Reform Title II of Perkins (formerly Tech Prep) to support innovation and investment in quality community college CTE programs. Establish a competitive grant program to succeed the expired TAA Community College and Career Training Grant (TAACCCT) that supported business- and industry-led partnerships.

**Supporting Students and Institutions Through the Tax Code**

Streamline current higher education tax benefits and enhance the American Opportunity Tax Credit (AOTC) for community college students and others most needing support. Support the Community College Partnership Tax Credit aimed at connecting community colleges and businesses.

- The establishment of the permanent AOTC in 2015 facilitates streamlining current higher education tax provisions and better targeting them at needier students. In particular, community college students who receive Pell Grants should not be precluded from receiving an AOTC, as commonly occurs under current law. Congress should also focus benefits on students and families who are middle- or low-income, including enhancing AOTC refundability.

- The Administration’s proposed Community College Partnership Tax Credit is a new tax incentive designed to encourage employers to play a more active role in supporting community colleges. Employers would assist community colleges through contributions like designing curriculum, donating instructors and equipment, and creating job-based learning opportunities. Once students complete the program, employers would be eligible for a tax credit of $5,000 for hiring them. The proposal would provide $500 million in credits per year for the next five fiscal years.