



# AACC POLICY BRIEFING – WHAT NATIONAL ELECTIONS MEAN FOR COMMUNITY COLLEGES

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# US CONGRESS

- Republicans have control of both chambers of Congress, although it is with narrow majorities
- Republicans will look to advance much of their legislative agenda through the budget reconciliation process with a directive from President-Elect Trump to pursue an aggressive timeline and deliver results within his first hundred days





# US HOUSE OF REPRESENTATIVES

- Republicans retained control of the House, winning the required 218 seats
- Five races are still too close to call and several presidential appointments will require special elections, but Republicans are expected to have a margin of approximately five seats
- Current Speaker Mike Johnson (R-LA) will continue serving in that role after winning the nomination from his caucus
  - The full House will vote on his nomination in the new year
- The slim margin will likely prove challenging once again, with Speaker Johnson tasked with keeping his caucus in line





# US HOUSE OF REPRESENTATIVES

- The House Education and Workforce Committee will be shaken up, with “term-limited” chair Dr. Virginia Foxx (R-NC) unable to remain at the helm of the committee
- Reps. Burgess Owens (R-UT) and Tim Walberg (R-MI) are vying for the chairmanship
  - Owens currently serves as chair of the Higher Education and Workforce Development Subcommittee
  - Walberg has served on the committee for his entire 8-term run in Congress
  - Both members are strong supporters of Workforce Pell
- Foxx will remain on the committee and is expected to have much influence with the new chair and committee Republicans generally
- The committee will likely welcome a slate of new GOP freshmen, as other members move to more sought-after committee assignments





# US HOUSE OF REPRESENTATIVES

- Rep. Jason Smith (R-MO) is poised to chair the tax-writing Ways and Means Committee
  - With the Tax Cuts and Jobs Act (TCJA) expiring, Republicans will look to craft a massive tax package in the coming year
- Rep. Tom Cole (R-OK) will remain chair of the House Appropriations Committee
  - Relatively moderate Republican and a former chair of the Labor-HHS-Ed Subcommittee
  - Strong supporter of Pell, but he will be asked to find savings and comply with any spending caps handed down by leadership





# US SENATE

- 53 Republicans to 47 Democrats (including two Independents)
  - Legislation subject to a filibuster will still require Democratic votes
  - Legislation not subject to a filibuster (e.g. reconciliation) and nominations will require support from all but four Republicans, likely elevating some more moderate members
- John Thune (R-SD) is the new Senate Majority Leader, replacing longtime leader Mitch McConnell (R-KY)
  - Thune has indicated strong support for President-Elect Trump's agenda, but it is unclear how he will craft new Senate rules to bypass procedural and political hurdles
  - Thune has said he will preserve the filibuster, but he is open to using recess appointments for certain presidential appointments





# US SENATE

- The Committee on Health, Education, Labor, & Pensions (HELP) will be led by Sen. Bill Cassidy (R-LA)
  - Cassidy is a strong supporter of two key AACC priorities – the College Transparency Act and the JOBS Act
  - While ranking member, he released the Lowering Education Costs and Debt Act – a package of five Republican bills to reauthorize the HEA
    - The package was considerably more moderate than reauthorization proposals released by his counterparts in the House
  - Cassidy will be the point person on any potential higher education budget reconciliation legislation
  - Key Trump nominations will move through his committee
- Current chair Sen. Bernie Sanders (I-VT) is expected to serve as ranking member





# US SENATE

- The Senate Appropriations Committee will likely be chaired by Sen. Susan Collins (R-ME), with Patty Murray (D-WA) likely staying on as ranking member
  - The committee has a long, though not exclusive, tradition of bipartisanship and a commitment to regular order, though this could be tested in the new fiscal environment
- The Finance Committee, which writes tax legislation in the Senate, will probably be chaired by Mike Crapo (R-ID)







# BUDGET POLICY

- Speaker Johnson has said that they will pursue a short-term Continuing Resolution (CR) and will seek to pass Fiscal Year 2025 (FY 25) appropriations in the new year
  - This may result in reductions from current (FY 24) spending levels and could delay program funds being awarded
- The new Congress will look to reduce discretionary, non-defense spending
  - The statutory caps on annual appropriations expire at the end of the current fiscal year, but Republicans will likely impose new spending limitations during the debt ceiling debate
  - The caps greatly impact the amount of money available for all programs relying on discretionary funds, including the Pell Grant program





# BUDGET POLICY

- The new Congress will be tasked with stabilizing funding for the Pell Grant program
  - Changes to the aid eligibility formula increased the number of students eligible and the average size of awards, driving up the projected cost of the program
  - As a semi-entitlement, Congress is required to fund Pell Grants
    - The shortfall could require Congress to make cuts to other key Labor-HHS-ED programs, to flat-fund the maximum grant award, or, more dramatically, to make reductions in Pell Grant eligibility





# BUDGET POLICY – AACC PRIORITIES

- Short-term:
  - Secure optimal FY 25 appropriations, including increases to the maximum Pell Grant award, Strengthening Community College Training Grants (SCCTG), and the Title III-A Strengthening Institutions Program (SIP)
- Long-term:
  - Explore avenues to stabilize the Pell Grant program and provide for increased aid eligibility, a maximum grant that at minimum keeps pace with inflation, and expansion to short-term workforce programs, including through mandatory funding





# DACA/IMMIGRATION

- The Trump Administration may stop defending DACA regulation in ongoing litigation and take other steps to rescind the program
  - How would current DACA recipients be handled?
- Impact of other possible immigration actions on students and colleges is unclear





# HIGHER EDUCATION POLICY

- Reforming the student loan system is a top priority for Congressional Republicans, but other changes are likely on the table
- The College Cost Reduction Act (CCRA, H.R. 6951) is likely to be the template for higher education policy changes that could be enacted through Republican-only reconciliation legislation
  - The bill contains a complicated and problematic risk-sharing scheme, along with other changes to loans, postsecondary data, accreditation, and other issues
  - The bill was approved by the House Education and Workforce Committee but has not yet been scheduled for floor consideration
  - As noted above, Sen. Cassidy takes a different approach





# FEDERAL STUDENT LOANS

- Republicans have vehemently opposed President Biden's efforts to cancel student loans and reform student loan programs through regulation
  - In particular, the new Saving on a Valuable Education (SAVE) repayment plan
- Congressional Republicans are likely to advance sweeping changes as part of a reconciliation package
  - Eliminating Public Service Loan Forgiveness (PSLF) and Graduate Student PLUS Loans
  - Eliminating current Income-Driven Repayment (IDR) plans and replacing them with a new option that caps overall interest paid at what a borrower would've paid under a 10-year standard plan





# CAMPUS POLICIES

- Congressional Republicans have focused on high-profile issues related to campus policies and activities including:
  - Application of the First Amendment to institutions
  - The accreditation process
  - Implementation and enforcement of Title IV of the Civil Rights Act
- The House passed broad legislation addressing many of these issues, the “End Woke Higher Education Act” (H.R. 3724)
- The Trump Administration is expected to issue new regulations in this area, but Congress will likely also pursue new inquiry, reporting, and enforcement measures that could impact community colleges





# TAX-FREE PELL GRANT ACT

- Top AACC Priority for 119<sup>th</sup> Congress
- Bills (H.R. 3000, S. 2920) would end taxation of Pell Grants and allow Pell recipients to receive the \$2,500 American Opportunity Tax Credit
- Legislation has drawn bipartisan support in both chambers
- Please contact your Ways and Means and Finance Committee members to ask for its inclusion in a 2025 tax package







# PROPOSED ED SECRETARY LINDA MCMAHON

- Surprise pick
- Longstanding financial and political supporter of President-elect Trump; former Small Business Administration Chair
- Board chair of influential conservative group America First Institute
- Op-ed publicly supportive of Workforce Pell Grant





# PROPOSED ELIMINATION OF DEPARTMENT OF EDUCATION

- President-Elect Trump has indicated his intention to eliminate the Department of Education and to transfer its functions to other agencies
  - This is a longstanding Republican presidential position, but has new energy and support
  - Included in Project 2025 proposals
- Key ED programs would still exist, though they may be administered by different agencies or ED could be relegated to a sub-cabinet agency
- Any change would require an act of Congress, which will be extremely unlikely under current Senate rules (filibuster)
- Changes in the structure, staffing, and funding of ED could have a profound impact on program administration, even if the Department itself continues to exist





# REGULATIONS

- The Trump Administration is likely to undo many of the Biden Administration's executive actions, including those that have been less friendly to for-profit institutions
  - Gainful Employment (GE) regulations are likely to be rescinded, although the accompanying Financial Value Transparency (FVT) framework may be maintained – community colleges straining to comply with the latter
  - Student loan forgiveness granted under Borrower Defense-to-Repayment is likely to be curtailed





# REGULATIONS

- President-Elect Trump has stated his intention to rescind the Biden Administration's new Title IX regulations and to reinstate a version more like those promulgated during his previous term
  - 26 states and many individual institutions are still operating under the Trump regulations due to court action
  - For others, there will be a certain “whiplash” effect given the new 2020 rules
- The Trump rules were controversial for requiring live hearings for disciplinary proceedings but were in many ways more limited than those promulgated by Biden





# ON THE HORIZON IN 2025 - RECAP

- FY 25 and FY 26 Appropriations
  - FY 26 will likely be subject to new budget caps negotiated during another debt ceiling debate
- Budget reconciliation legislation, requiring only Republican votes
  - Will include tax provisions to replace the expiring Tax Cuts and Jobs Act
  - Will likely include higher education provisions that impact spending, like those proposed in the College Cost Reduction Act
- Regulation whiplash at the Department of Education





# COMMUNITY COLLEGE PRIORITIES

- Now is the time to speak up:
  - Support Pell Grant funding and current program structure
  - Support Workforce Pell Grant authorization
  - Oppose Risk-Sharing in any form, including the College Cost Reduction Act
  - Include Tax-Free Pell Grant Act in revenue legislation
  - Enact a WIOA reauthorization bill in 2025





# QUESTIONS?

