



## **COMMUNITY COLLEGE LEGISLATIVE PRIORITIES—JANUARY, 2016**

### **HIGHER EDUCATION ACT (HEA) REAUTHORIZATION**

Congress is currently in the process of extending and modifying the HEA, which will have enormous implications for community colleges. Top AACC priorities follow.

#### **Reform Graduation Rate Requirements**

Many community college students who ultimately graduate take longer to do so than students in other sectors, and often do so from a different college than the one in which they initially enrolled. According to the National Student Clearinghouse, the 6-year graduation rate of full-time community college students (from any institution) is 55%. Yet, the official U.S. Department of Education graduation rate is just 21%.

**AACC Position:** Completion rates for community college students should be measured at 100%, 150%, and 300% of the “normal” program length. The latter will capture most community college students who complete. Transfers-out must be included in all completion rates.

#### **Reinstate the Year-Round Pell Grant**

In 2008, Congress created a year-round Pell Grant to increase persistence and graduation rates and to enable students to complete their degrees more quickly. However, after just one year Congress eliminated the year-round Pell Grant for budgetary reasons, scuttling nascent student and institutional plans to take full advantage of the new assistance.

**AACC Position:** Reinstate the year-round Pell Grant to reflect today’s student population and to enhance persistence and on-time completion.

#### **Reject Proposals for Institutional “Risk Sharing”**

The concept of institutional student loan risk sharing, or “skin in the game,” has gained traction, particularly in the Senate. The essence of risk sharing is to assess institutions a share of the costs associated with non-repayment of student loans. It is justified on the grounds that it will incentivize colleges to ensure that students complete programs with manageable levels of student debt, and improve college management of the loan programs. Despite being low-cost institutions with a relatively small percentage of borrowers, community colleges could be subject to substantial financial penalties under risk sharing.

**AACC Position:** As public institutions, community colleges already have substantial “skin in the game” in the form of state and local support. Colleges have limited control over student loan borrowing and repayment. Congress should reject any risk sharing scheme in the HEA reauthorization.

## **PERKINS CAREER AND TECHNICAL EDUCATION ACT**

The Carl D. Perkins Career and Technical Education (CTE) Act, which provides a vital source of funding for community college CTE programs, is due for reauthorization. Congress is not likely to fundamentally restructure the Act, but rather build on some of the improvements in the prior reauthorization that focused Perkins funds on high-quality programs. In 2012, the Obama administration issued a blueprint that called for improved accountability, greater innovation, and a strengthened focus on high-quality programs via competitive grants.

**AACC Position:** The Perkins Act should be focused on programs that show a tight connection with the needs of business and industry, as evidenced in robust local plans for the use of funds. Accountability measures should be streamlined and aligned as much as possible with other federal programs, particularly the Workforce Innovation and Opportunity Act (WIOA). Perkins funds should be made available to support community college programs designed for adult learners as well as those that are connected to high school programs.

## **FY17 BUDGET AND APPROPRIATIONS**

Congress passed the Bipartisan Budget Act (BBA) that raised FY 16 and 17 funding caps from their sequester levels, and the year-end omnibus appropriations bill contained generally good news for community college priorities. The BBA's FY 17 spending caps are approximately the same as this year.

**AACC Position:** Congress should maintain the increased investments it made in key programs such as the HEA Title III and V programs, WIOA job training, TRIO, GEAR UP, and many more. Wherever possible, investments in programs that have not fared as well, including adult basic education, should be increased. Funding for the appropriated Pell Grant base of \$4,860 should be ensured.

## **TUITION-FREE COMMUNITY COLLEGE**

Community colleges support the core principles of President Obama's America's College Promise proposal because it could ultimately make college as accessible as high school. Given today's economy this is an essential national goal. Legislation to authorize the president's plan—the America's College Promise Act (H.R. 2962, S. 1716)—has been introduced in Congress.

**AACC Position:** Enact the America's College Promise Act to provide free tuition to community college students in certain programs. Support broader efforts to advance the tuition-free community college movement.

## **AMERICAN OPPORTUNITY TAX CREDIT (AOTC)**

In late 2015, Congress made the AOTC permanent, which is of significant financial benefit to community college students and a tremendous achievement. Unfortunately, many of the neediest community college students do not qualify for the AOTC because they receive Pell Grants, which are offset against tuition and courses materials in the AOTC eligibility formula.

**AACC Position:** Exclude Pell Grant and SEOG funds from the grant offset include in the AOTC eligibility formula.

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